

Clinton Sidesteps Foes to Aid Mexico

President Gives Up on Congress and Turns Elsewhere for Loans

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — President Bill Clinton's aid plan for Mexico collapsed Tuesday, but the president swiftly announced that he would bypass Congress and order new U.S. loans to supplement a fresh international rescue package totaling \$50 billion.

After three weeks of urgent talks during the peso's sharp decline, Mr. Clinton was forced to abandon his effort to win congressional approval of \$40 billion in loan guarantees to help Mexico pay its growing foreign debt.

Instead, he vowed to use his own authority to create a \$20 billion line of credit for Mexico, \$11 billion more than had previously been promised by the United States.

He also disclosed that the International Monetary Fund and central banks in the wealthy industrial nations, including the Federal Reserve, would together raise their credit lines to Mexico to \$27.5 billion.

Bypassing Congress was necessary, a top U.S. official said, "because the prospects of default by the Mexican government in its obligations became very real" and because of congressional reluctance to pass the loan guarantees.

"We cannot risk further delay," Mr. Clinton declared after a morning meeting

at the White House in which top leaders in Congress told the president that his legislative plan would face a long delay and possible defeat. "I will act to protect our interests."

Currency and stock traders were encouraged by the president's announcement, sending the peso, the dollar and the Mexican stock market sharply higher. The peso closed at 5.6950 to the dollar, compared with its Monday close of 6.3500, while the Mexican stock market rose 10.2 percent. (Page 9)

Treasury Secretary Robert Rubin said, "The financial distress had reached the

point where it was absolutely imperative that the president act and act now."

The startling development in Washington appears to mean that the Treasury will use its multibillion-dollar Exchange Stabilization Fund for the first time to prop up a currency other than the dollar.

"We feel," Mr. Rubin said, "there is a very high probability that this will be successful in re-establishing confidence in Mexico, causing private capital markets to again work and allowing the strong fundamentals of the Mexican economy to reas-

See MEXICO, Page 5

100,000 Flee As Rivers in Netherlands Keep Rising

By Stephen Kinzer
New York Times Service

AMSTERDAM — Caravans of cars, trucks, buses, tractors and bicycles — many of them heavily loaded with suitcases and furniture — choked roads out of flooded regions of the Netherlands on Tuesday as the country faced its greatest natural catastrophe in more than 40 years.

Nearly 100,000 people have left their homes, and the authorities Tuesday urged more than 140,000 more to do so.

The flood claimed its first Dutch victim Tuesday as one of two people who washed into the Waal River near the village of Wijnssen drowned.

In much of Germany, Belgium and France, the floodwaters stopped rising and even began to recede on Tuesday. But in the Netherlands, experts said the flooding had probably not yet reached its peak.

The death toll in the latest flooding across northwestern Europe was reported at 25, with several other people missing.

Rob Weeda, spokesman for a crisis relief center in Arnhem, Netherlands, said, "It's a giant exodus, everyone moving at the same time on two-lane roads."

"It was unavoidable when the water reached unprecedented levels," Mr. Weeda said. "It is forecast to reach its high point on Wednesday afternoon and hold for some days. That could put such pressure on the dikes that experts said they could not guarantee the dikes would hold."

Dutch television broadcast aerial footage showing villages where only the tops of houses were visible. A sequence from Venlo, on the German border, showed residents rowing through their neighborhood as debris floated past. Some homes were completely submerged.

The police were under orders to remove anyone in the affected area of the Netherlands who refused evacuation. Large areas of the country were declared "no-go zones," where no one will be allowed to enter until the flooding recedes.

Areas around Nijmegen, Arnhem and Bommelerwaard were inundated. At Lo-bith, on the German border, floodwaters from the Rhine were measured at 54 feet 6 inches above sea level.

In Germany, floodwaters from the swollen Rhine River began slowly to fall back on Tuesday after cresting in Cologne on Monday night at 10.69 meters (34 feet), the highest for nearly 70 years, and three times more than the normal level. Large sections of Cologne remained under more than two meters of water.

This week's deluge called up the collective Dutch memory of the 1953 flood that was this country's worst modern peacetime disaster. In that flood, waters from the North Sea broke through dikes in the southern province of Zeeland, taking more than 1,800 lives.

This week's flooding was triggered by heavy rains that have been falling over much of northern Europe for days. It was the second time in as many winters that the region has been devastated by floods, leading some experts to suggest that a new meteorological pattern was emerging.

The Netherlands' environmental minister, Margaretha de Boer, said that the

See FLOODS, Page 5



Residents of the Dutch villages of Arcen and Velden passing sandbags Tuesday to reinforce dikes along the Meuse River in Limburg Province. Flooding has forced thousands in northern Europe to flee.

Islamic Edict Complicates Mideast Peace

By Youssef M. Ibrahim
New York Times Service

PARIS — An explosive argument over whether making peace with Israel conforms to the precepts of Islam is building among Muslim theologians in Saudi Arabia and Egypt, adding a new layer of complications to the Middle East peace talks.

The issue flared after Saudi Arabia's highest theological authority, Sheikh Abdel Aziz ibn Baz, issued a religious edict, or *fatwa*, in December affirming the right of Saudi rulers to pursue normal relations with Israel.

Sheikh Baz cited a verse from the Koran — "If they enemy moves toward peace, you shall too, placing your dependence upon God" — as a basis for his ruling that Saudi leaders may seek, under some circumstances, to make peace with Jews.

The edict went on to say it would therefore be illegal and sinful for faithful Muslims to obstruct the Saudi rulers' decision to negotiate with their Israeli enemies.

Sheikh Baz wrote that in view of Prophet Mohammed's willingness to declare a truce with his enemies in the battle of Mecca, "it is proper for the ruler to agree to a truce if he sees there is benefit in that."

As Saudi Arabia's supreme religious figure, the sheikh is in charge of Islamic institutions that encompass tens of thousands of students, teachers and officials in theological universities, religious ministries, Koranic schools and mosques.

Arab diplomats familiar with these developments said the edict had been solicited by the Saudi royal family to endorse its decision to lift a boycott imposed by Arab countries on companies dealing with Israel. Saudi Arabia and Arab emirates in the Gulf officially lifted the ban last fall.

Signals from Gulf Arab governments that they are heading toward a greater opening with Israel had aroused significant protests all summer from the religious establishments in the Gulf region and among Muslim fundamentalists in Egypt, who are in close touch with the Gulf fundamentalists.

In Saudi Arabia, some preachers in their Friday sermons denounced talk of normalizing ties with Israel as contrary to the teachings of Islam. The government began arresting scores of religious figures and their followers in September to still the criticism, which was also expressed in leaf-

See ISLAM, Page 5

A Weary Warrior Tells Of Taking On Russians

Familiar Turf Is Advantage, He Says

By Michael Specter
New York Times Service

SHCHELKOVSKAYA, Russia — Bathed by the glow of a single candle, dressed in a cheap track suit like the taxi driver he used to be, Ramzan Maltsegov looks like anything but the stereotype of the fierce Chechen warrior.

There is no gleaming knife strapped to his thigh. He talks so softly it is almost impossible to hear what he says. But Mr. Maltsegov is a man who has seen — and caused — enough death to last a lifetime.

He turned up Tuesday at a quiet home in this village, 40 kilometers north of Grozny, the Chechen capital, seeking a place to sleep and a brief respite from the war for Chechnya. He did not know the owners, but they were happy to feed and hide him.

Mr. Maltsegov, a rail-thin, 31-year-old father of four, said he had fought constantly since the Russian attack. He said he had spent four days in a bunker beneath the former KGB building in the center of the city, afraid to emerge and unable to move. His harrowing descriptions of the savage civil war were detailed enough to leave little doubt he was telling the truth.

"They will never control the city," he said, explaining that he had also spent from Jan. 6 to 12 in the bunker of the Presidential Palace, which has now been almost destroyed.

"We fight for a week and then a new group comes in and we rest," he said. "In each battle group there can be from 20 to 50 people."

He talked at length about the disastrous initial Russian attack on the Chechen capital, one of the most humiliating moments in Russia's modern military history, in which hundreds of soldiers were sent to the city without maps, battle plans or the ability to communicate with reinforcements or their superiors.

"That night they came in with enormous force," he said of the New Year's Eve assault. "It was only the fact that we had anti-tank grenades that saved us. In every house, every corner, every basement, we waited for them as they came into the city." When the tanks arrived at their positions in the center of the town they were destroyed en masse.

Asked if the Russians had learned anything from that first offensive, he replied curtly: "They have learned nothing. But the people who have been taken prisoner by them have learned what torture is," repeating an oft-heard, though unproven, allegation that Russian soldiers are torturing prisoners.

See WARRIOR, Page 5

France Calls for 'Last-Chance' Talks on Bosnia

By William Drozdiak
Washington Post Service

PARIS — Warning that a wider Balkan conflagration could happen by spring, France on Tuesday proposed a last-gasp international conference to resolve territorial claims by rebel Serbs in Croatia and Bosnia before all hope for peace in the former Yugoslavia was dashed.

Foreign Minister Alain Juppé declared that the only way to break the impasse and avoid a deadly new cycle of fighting was to convene "a summit meeting of the main protagonists in the tragedy," followed by broader talks involving the United States, Russia and the European Union.

"I have reached the conviction that this is the last-chance scenario for everyone," Mr. Juppé said in the newspaper *Le Monde*.

"In three months, we risk seeing Bosnia in flames again, and also Serbs and Croats fighting in Krajina with the threat of contagion spreading to the whole of the ex-Yugoslavia."

The prospect of intensified warfare throughout the region has grown more ominous in recent days as the governments of Croatia and Bosnia step up pressure to recapture lost territory, while rebel Serbs in both states continue to reject compromise peace proposals.

In Croatia, President Franjo Tudjman has vowed to expel 12,000 United Nations peacekeepers by the end of March. They have served as a buffer between Croatia's forces and the rebel Serbs who occupy much of the Krajina region, a large slice of mountainous territory along the Bosnian border.

The Croatian Serbian minority seized the area, which makes up about one-third of the country, after becoming alarmed about their fate when Croatia seceded from Yugoslavia in 1991. They have vowed to establish an independent republic, with

See BOSNIA, Page 5

New Troops for Old Battle on Peru-Ecuador Border

By Gabriel Escobar
Washington Post Service

CHACRAS, Ecuador — The Peruvian Army is entrenched in a mango grove across the international boundary, a river that at this point dwindles to a brook. That is all that separates the "enemy" from this town where Ecuadorans have died for their country before and now they will defend it again to the death.

A border clash in the virtually unpopulated mountains northeast of here has turned into a tense stalemate along this more crowded portion of the border.

As Ecuadorian and Peruvian troops move into towns and fortify their positions, the elderly, women and children on both sides are moving out — sometimes voluntarily and sometimes under military orders — leaving their homes in the hands of husbands, sons and soldiers.

[Ecuador said Tuesday that it had agreed to a cease-fire with Peru, but Peruvian officials later said Lima had not agreed to a halt in hostilities. The Associated Press reported from Quito. Diplomats from the two countries met in Rio de Janeiro to discuss the dispute.]

Each side in the fighting over a remote stretch of land in the Cordillera del Condor has reported casualties, and an official of the International Red Cross said both sides apparently had taken prisoners. Still, there was no confirmed report of any fighting Tuesday.

But the reports from the front and the deployment of troops have raised the level of anxiety along this border, where Peruvians and Ecuadorans fought a war in 1941 and have had to live with periodic tension. Over the last few days, towns and villages in both countries promoted "civic fervor" marches.

In Huacillas, connected by a bridge to the Peruvian town of Aguas Verdes, the border was still open but tension was notable. Commerce between the two sides, the economic engine of the region, fell to a trickle, and residents said Ecuadorian soldiers had prevented them from traveling to Aguas Verdes to sell produce. A flier circulating on the streets in Huacillas referred to Peru as the "aggressor to the south" and urged people to march to the front.

Here in Chacras, the scene of a revered stand by Ecuadorian soldiers in 1941, most of the families have left their homes and only a handful of people remain. Sol-

diers have dug foxholes along a stretch of the Pan-American Highway and deployed along the border.

"We want this decided once and for all, through peaceful means or with weapons," said José Montje Rodríguez, 72, a veteran of 1941. "We don't want to live under a threat any more; they will have to walk over our bodies."

Although the two countries have maintained cordial relations for years, the border disputes are not forgotten by either side. Ecuador is particularly sensitive because it has been on the losing side of several land disputes, and large tracts of territory have been ceded to Brazil, Colombia and Peru.

In January 1942, Peru and Ecuador signed the Protocol of Rio de Janeiro, which was approved by the legislative bodies of both countries and should have settled the border dispute. But the area where the conflict has now erupted was never marked off, and Ecuador challenged the accord in 1960. Now the belief that the zone is rich in

See BORDER, Page 5

Kiosk

A Fatal Train Collision in England

CARLISLE, England (AFP) — One person died and about 30 were injured late Tuesday when two passenger trains crashed in a remote valley in Cumbria, northern England, the authorities said.

A spokesman for Cumbria Fire Service was quoted by satellite television as saying one person had died and that there were about 30 "walking wounded."

The police said the trains collided at 7:00 P.M. on the line between the towns of Carlisle and Settle.

International Classified Page 7.

Newsstand Prices	
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Cameroon.....1.400 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....960 CFA	Senegal.....225 PTAS
Greece.....350 Dr.	Tunisia.....1,000 Din
Italy.....2,400 Lire	Turkey.....T.L. 45,000
Ivory Coast.....1.120 CFA	U.A.E.....8.50 Dirh
Jordan.....1 JD	U.S. Mtl. (Eur.) \$1.10
Lebanon.....US\$ 1.50	

Dow Jones	Trib Index
Up 11.78	Down 0.05%
3843.86	110.01

The Dollar	Time close	previous close
DM	1.5243	1.5063
Pound	1.58	1.595
Yen	99.625	98.435
FF	5.283	5.224

Europeans and Arabs Shrug Off U.S. Reversal on Test Ban

By Joseph Fitchett
International Herald Tribune

PARIS — In finally agreeing to drop an obscure demand in connection with a proposed treaty banning nuclear tests, the Clinton administration has done little to strengthen the prospects for achieving the broader goal of preventing nuclear proliferation, Western and Arab officials said Tuesday.

They were reacting to the U.S. policy switch on a test ban this weekend that appears to be aimed mainly at persuading more nations to sign up for another, quite separate agreement: the nonproliferation treaty. Coming up for renewal in April, it concerns limits on the nuclear aspirations of all countries, regardless of whether they already have such weapons.

That treaty should be given permanent status, according to the United States. So, as a gesture of good intentions, Washington dropped its demand — which was controversial from the outset — for the right to opt out after 10 years from a comprehensive test ban treaty now being negoti-

ated in Geneva for signature this year or next. The U.S. concession, in practice, is minor. U.S. officials acknowledged Tuesday, because the sophistication of American technology allows weapons designers to test new nuclear arms without the need for explosions.

Initially, however, the Clinton administration acceded to the longstanding doctrine, enshrined in the Pentagon, that any ban on nuclear testing might close the door on inventions that could lead to the development of new types of weapons.

In the broader context of nuclear security for the West, the U.S. position "amounted to technicians' demand for scientific oversight," a British official said, and the only surprise was how long it took the Clinton administration to drop it.

The U.S. tactic is welcome, European officials said, if it forestalls strong U.S. diplomatic pressure, including economic and other pressure on holdout nations as different as Mexico and Kuwait, to get a permanent nonproliferation treaty.

Without that pressure, they said, it may be hard to find the estimated 20 countries needed to transform the current nonproliferation treaty into a permanent agreement.

Regional tensions — for example, Arab countries' resentment at Israel's nuclear potential — explain the reluctance of numerous nations in the Middle East, Africa, Asia and South America to sign an agreement renouncing their hopes of joining the club of nuclear-armed nations.

These political ambitions are unlikely to be changed, Arab officials said, simply by a flurry of promises to curtail U.S. programs. European officials added that the Clinton administration should never have allowed the demand for an escape clause to be imposed in the first place by nuclear hawks in Washington.

Similarly, a French official challenged U.S. negotiating tactics — characterized as "last-minute demagoguery by the Clinton administration" — because Washington's approach may have made the nonproliferation treaty hostage to an agreement on nuclear testing.

"It may be impossible to sign a serious, verifiable document on testing for another year, and some governments may now seize on this as a pretext for not signing the more fundamental treaty against proliferation," the French official said.

France seems eager for a test-ban treaty, but French scientists are thought to need more time before they can rely on solely on simulations.

U.S. officials Tuesday accused France and China of wanting a year's delay in signing a comprehensive test ban — in effect, the elimination of underground nuclear tests following the elimination of atmospheric tests.

China set off its second test blast in four months last October.

U.S. officials, speaking at the Geneva disarmament talks reopened, also urged that negotiations begin right away on a worldwide ban on the production of fissionable material — plutonium and highly enriched uranium — for nuclear explosives.

WORLD BRIEFS

Coalition Might Fall, Austrian Warns

VIENNA (Reuters) — Austria's coalition government edged nearer collapse Tuesday after Vice Chancellor Erhard Busek said that failure to agree to a four-year budget plan would mean new elections.

If agreement was not reached, said Mr. Busek, the head of the conservative Austrian People's Party, "the resignation of the government would be the only course." The coalition of the Social Democratic and People's parties has been weakened by elections in October that strengthened opposition parties. In recent days, the defense spokesmen of both coalition parties were forced to resign over a suggested kickback scheme.

Chancellor Franz Vranitzky, a Social Democrat, said the government's situation was "serious but not hopeless."

Clinton Drops Nominee to Panama

WASHINGTON (Reuters) — In another sign of the conservative ascension in Congress, President Bill Clinton on Tuesday withdrew his nomination for ambassador to Panama, a former government official opposed by Senator Jesse Helms, chairman of the Foreign Relations Committee.

The nominee, Robert Pastor, once an aide to President Jimmy Carter, had asked that his nomination be withdrawn "since Senator Helms made clear that he would not permit a vote" on it.

Mr. Helms, who first blocked the nomination last year when he was the ranking minority member, has criticized Mr. Pastor's role in negotiations with Haiti last year and has called him the chief architect of what he has termed the Carter administration's "giveaway" of the Panama Canal.

Danes Seek U.S. Data on B-52 Crash

COPENHAGEN (Reuters) — Denmark said Tuesday that it would demand the release of classified data about the 1968 crash of an American B-52 nuclear bomber in Greenland and insist that the U.S. government clean up any remaining radioactive debris. One of seven crew members died when the bomber crashed on the ice near the U.S. base at Thule in the northwestern part of the Danish province. Hydrogen bombs were damaged in an ensuing fire, and radioactive debris was spread over a large area.

Danish television reported Sunday that newly released U.S. documents revealed that a U.S. submarine searched for an unspecified object under the ice where the bomber went down several months after the official end of the U.S. clean-up operation. But key parts of the documents remained classified, fueling speculation in Denmark that a hydrogen bomb or parts of it remained on the seabed.

Algeria Pledges to Crush Militants

ALGIERS (Combined Dispatches) — President Liamine Zoual vowed Tuesday to crush terrorism by Islamic fundamentalists after a car bomb killed 42 people, raising fears of a Ramadan offensive by guerrillas. More than 280 people, many of them children, were wounded.

"The whole world knows that the Algerian people and state will not yield before barbarism," General Zoual said. "This type of operation gives us more strength and effectiveness in pursuing our struggle against these monsters until they are exterminated."

Newspapers said Tuesday that a suicide bomber driving a stolen Fiat packed with 100 kilograms of TNT had carried out the bombing Monday, the deadliest attack in three years of conflict in which more than 15,000 people have died. (AFP, Reuters)

U.S. Jet Is Missing Off Somali Coast

DUBAI, United Arab Emirates (Reuters) — A U.S. Navy Harrier jet was missing in the Indian Ocean after taking off from a ship overseeing the United Nations withdrawal from Somalia, a navy spokesman in the Gulf said Tuesday.

The jet, a one-seater, is attached to the Essex, an amphibious ship on six-months' duty in the Indian Ocean and the Gulf. The plane was about 3 kilometers from the Essex when the ship lost contact with the pilot.

Spain Sets Early Parliament Debate

MADRID (Reuters) — Spain's Socialist government has set the annual parliamentary debate on the state of the nation for Feb. 8, two months earlier than last year, in a bid to ease political tension and demonstrate its continuing stability.

A government spokesman said Tuesday that Prime Minister Felipe Gonzalez would not seek a vote of confidence to counter a political crisis caused by accusations of official involvement in a secret war in the 1980s against members of the Basque separatist group ETA.

The turmoil, which has deeply unsettled Spain's financial markets, has prompted demands from opposition groups for Mr. Gonzalez to resign or call early general elections, both of which the prime minister has rejected.

TRAVEL UPDATE

SAS Employees Threaten Walkout

COPENHAGEN (Reuters) — SAS ground staff at Copenhagen's airport threatened Tuesday to strike starting Feb. 16 after the collapse of negotiations over pay and benefits.

The strike would paralyze Danish domestic flights as well as the carrier's international network, the union said. The union, which represents 2,000 employees, is seeking changes in pension rights that it says have been eroded by rounds of layoffs in recent years.

The U.S. State Department warned Americans against travel to Sudan because of a long-running civil war in the south. (Reuters)

Britain agreed Tuesday to give the Philippines \$4.6 million (\$6.6 million) to help upgrade security at Manila's airport, considered one of Asia's problem spots. The money will be used in an \$18 million project designed to make the airport meet security standards set by the International Civil Aviation Organization and "eliminate arms and drug trafficking," the Philippines' Department of Foreign Affairs said. (AP)

China After Deng Called 'Up for Grabs'

American Interests at Risk, A Pentagon Report Warns

Reuters

WASHINGTON — The odds are 50-50 of a Soviet-style breakup of China after the death of its paramount leader, Deng Xiaoping, according to a study for the Defense Department.

"China is up for grabs once Deng passes away," according to a report by a group of university and business scholars. In releasing the study, the Pentagon noted that it did not reflect official U.S. policy.

The study said that the odds of China's continuing much the way it is after Mr. Deng's death were about 30 percent. It said the prospect of China turning to liberal reforms favored by the West was the least likely, presumably the remaining 30 percent.

The study said the odds of a breakup were 50-50 because "there is no apparent internal balance of political forces, and Deng's death will create a political vacuum for both conservatives and reformers to move in."

Mr. Deng, 90, failed to make an annual Lunar New Year appearance on Monday, and a daughter has said his health was declining.

The study group concluded that a collective leadership would replace Mr. Deng and would not change his policies during a transition phase.

But it said, "There was a 50-50 chance that the transition would lead to a Soviet-style breakup of China."

"Whatever scenario dominates in the future," it added,

"all Chinas would be different from the present and all Chinas may challenge U.S. interests."

The report said that a strongman could emerge if there was a power struggle and that the army would support such a leader if he guaranteed it against disintegration.

It said a hard-line leader might build up Chinese military forces, try to develop a nuclear capability and take an anti-American, anti-Japanese line.

Another possibility was that regions of China would win greater control after Mr. Deng dies, possibly creating a federal union of Chinese provinces, the report said. It said this would not pose a military threat to the outside world but could bring social chaos to China and, possibly, a new political elite that relied on local organizations to maintain order.

■ Attention Turns to Jiang President Jiang Zemin dominated the front pages of newspapers Tuesday as a campaign continued to shore up his position amid concern about Mr. Deng's health, Agence France-Presse reported from Beijing.

In a break with the past, no photographs of New Year statements by Prime Minister Li Peng or other senior Chinese leaders were published on the front page of the People's Daily or other state-run national newspapers.

Articles about Mr. Jiang's speech at a New Year's gathering filled most of the front page of the Communist Party paper.



DISASTER'S DETRITUS — Emperor Akihito and Empress Michiko, center and left, gazing at the wreckage of Kobe on Tuesday, two weeks after the deadly quake.

Hungary Jails Ex-Aides for '56 Role

Agence France-Presse

BUDAPEST — A Hungarian court sentenced two former Communist officials Tuesday to five years in jail for their role in crushing the 1956 Hungarian uprising against Soviet domination.

In the first judicial ruling against officials in power at the

time of the uprising, the Budapest central court jailed Lajos Orosz, 68, and Ferenc Toldi, 70, and stripped them of their civilian rights for eight years. Ten other defendants were acquitted.

The 12 were charged with firing into a crowd of unarmed demonstrators protesting Com-

munist rule on Dec. 8, 1956. Forty-six people were killed, including two children and a pregnant woman, and 89 were wounded.

Mr. Orosz pleaded not guilty and said he would appeal his sentence to Hungary's highest court. Mr. Toldi was hospitalized earlier in the trial.

'Light Green' Mayor Gives Dublin a Splash of Color

By James F. Clarity
New York Times Service

DUBLIN — In his seven months as the first lord mayor of Dublin from the Green Party, John Gormley has not turned this vibrant but gray, distinctly Georgian, and somewhat grimy capital into a sparkling Emerald City.

Indeed, this city of almost 500,000 people still has much pollution and world-class traffic jams. Mr. Gormley and other environmentalists also fear that a British nuclear fuel reprocessing plant across the Irish Sea will pollute these shores, including Dublin Bay, which is already sullied with sewage bacteria.

But Mr. Gormley, 35, a German teacher who runs a private language school when he is not busy as the unsalaried lord mayor, is trying to improve the city until his one-year term expires in

summer, needing the politicians and bureaucrats who actually control Dublin life.

He was chosen lord mayor not because of any devotion to the environment but in a rotation system in which a different party gets the job each year.

In an interview in his official residence, Mansion House, he made it clear, though, that he is not what is known here as a "dark green" environmentalist — the kind that protests physically against nuclear installations and the animal-experimentation laboratories. Instead he is a "light green" — more pragmatic, less ideological.

He eats no meat and drinks only organically produced wine. But last fall, he married Penny Stuart, a social worker whom he describes, smiling, as "a carnivore and a driver."

In recent weeks, he has amused Dub-

liners, accustomed to frowning at elected officials riding around town in big government cars, by refusing to accept the official Volvo that goes with his job. He either walks or rides his bicycle to about half his official appointments, he said. And on Jan. 20, he accepted a bright red Volkswagen Golf, paid for by the city, that runs on rapeseed oil.

Mr. Gormley praises Dublin. "The quality of life here is very good," he said. "Kids are coming back to live. There is the whole music scene," with rock and jazz clubs as well as traditional music in pubs. "The film industry is booming. There's certainly a buzz about the city."

But there are serious problems, too, he said. Parts of Dublin — like the North Side, where the film "The Commitments" was made — have unemployment rates far above the national average of about 16 percent. Officials say

that that has produced a slight increase in violent crime and a large increase in burglaries.

Public disgust with some of the city's problems, the lord mayor said, has resulted in growing political support for the Green Party. It now has 4 of the 52 Dublin Council seats, and one legislator in the 166-member national Parliament.

"A poll just showed that people see the Greens as the most honest party," Mr. Gormley said. "People are sickened by the shenanigans in the Dail," as the Parliament is called in Gaelic. "But we as Greens have become more pragmatic," he said.

On environmental issues, he said, the old political parties are "completely compromised because they are dependent on contributions from vested interests and they're not prepared to take a hard look at the problems."

Germany's Ex-Communists Renounce Their Past

By Stephen Kinzer
New York Times Service

BERLIN — The reformed East German Communist Party, bidding to broaden its ap-

peal and become a force in national politics, has denounced Stalinism and pledged to accept the established conventions of German politics.

At a weekend convention, delegates overwhelmingly rejected their party chairman, Lothar Bisky, who ran without opposition. Mr. Bisky, a moderate, had threatened to quit his post if the party did not approve a break with its Communist past.

The most prominent radical in the party leadership, Sahra Wagenknecht, a 25-year-old philosophy student, failed to win re-election. Miss Wagenknecht had lamented what she called "the abandonment of socialist ideals" since Stalin's death in 1953, and defended the 1968 invasion of Czechoslovakia as "the suppression of a counter-revolution."

Mr. Bisky's efforts to cut the party's ties to its Communist past were not entirely success-

ful. The condemnation of Stalinism which he and his allies presented was initially rejected by delegates, and accepted only after it was amended to condemn anti-communism as well. Delegates also rejected Andre Brie, who was Mr. Bisky's candidate for general manager of the party.

The reformed Communists, who now call themselves the Party of Democratic Socialism, surprised many analysts by winning seats in the German Parliament in last year's federal election.

Reactor Faults Cripple 2 Power Plants in Japan

Reuters

TOKYO — A Japanese nuclear reactor has been closed and another had its output reduced because of faults in two separate incidents, power companies said. There were no leaks of radioactivity, they said.

A 820,000-kilowatt reactor at the Shimane power plant in Shimane Prefecture, western Japan, stopped automatically when the water level rose in a reserve tank of a system that moves fuel rods.

AMERICAN TOPICS

Quake-Damaged Cathedral Faces The Wrecker's Ball in Los Angeles

St. Vibiana's Roman Catholic cathedral, which suffers ominous new cracks with every earthquake, is to be torn down and replaced on the same site in downtown Los Angeles. The 120-year-old Spanish Baroque Revival style building will be replaced by one in Spanish California Mission style.

Some preservationists are urging repairs instead of demolition. Architects warn that this would be prohibitively expensive and might not work. Private foundations underwriting \$35 million of the projected \$45 million cost of the rebuilding have stipulated that they want a new cathedral.

One parishioner, Andrew Gourde, says he sits only in the back of the sanctuary, near the exit, for a quick getaway.

Despite their objections to the planned demolition, preservationists applaud the church for staying in downtown Los Angeles despite its shrinking congregation — the 1,200 seats are seldom more than half-filled — and its proximity to Skid Row.

"If the church isn't going to battle these things, who is?" said Bob Harris, a professor of architecture at the University of Southern California and a member of the Los Angeles Conservancy's board of directors. "I think we all ought to be proud of the church for staying its ground."

Short Takes

The pileated woodpecker, so called for the red tuft on its head, has been hollowing out the wooden poles that support power lines in central Idaho. The woodpecker, which is 18 inches (about 45 centimeters) tall, pecks a hole about half the diameter of the pole and then drills about five feet (about 1.5 meters) down for its nest. This leaves just a wooden shell standing up against wind, ice and snow on the cables. Collapsed poles cost customers of the Salmon River Electric Cooperative \$200,000 last year, or about \$350 each, and the problem is worse this year. Steel poles appear inevitable, although they cost 50 percent more than wood.

The families of three legends of the horror film genre — Boris Karloff, Lon Chaney Jr. and Bela Lugosi — have proposed a set of stamps bearing the likenesses of the actors and the sinister characters they portrayed — the Frankenstein monster, the Wolfman and Dracula. (Lon Chaney Sr. was honored last year in the "Hollywood Legends" stamp series.)

Ads that ran in national newspapers last week for the forthcoming movie "Jefferson in Paris" used images of the Constitution of the United States. The Walt Disney Co., which created the film and ad, has since taken note that Jefferson wrote the Declaration of Independence, not the Constitution. Newsweek magazine notes that Disney was the company that planned to build a Virginia theme park to celebrate American history.

International Herald Tribune

AIDS Becomes Top Killer in U.S. Of People 25-44

New York Times Service

WASHINGTON — AIDS has become the leading cause of death among Americans aged 25 to 44, according to U.S. data made public at a scientific meeting here on Monday.

In 1993, the last year for which figures are available, AIDS surpassed accidents, which dropped to second place in this age group, said Dr. Harold W. Jaffe, a top AIDS official at the U.S. Centers for Disease Control and Prevention in Atlanta. Cancer and heart disease were third and fourth, followed by homicides and suicides.

AIDS deaths among Americans 25 to 44 have risen steadily since the disease was first recognized in 1981. More than 250,000 Americans so far have died from AIDS or related causes.

In 1992, AIDS became the leading cause of death among men aged 25 to 44. It remains fourth among women, behind cancer, accidents and heart disease, but is soon expected to rise to second place, Dr. Jaffe said.

THE AMERICAS / MOVING UP IN THE RATINGS

Applause Grows for Congress — and for Clinton, Too

By Richard Morin
Washington Post Staff Writer

WASHINGTON — In recent weeks Americans have given Congress and President Bill Clinton another look, and a new Washington Post-ABC News poll suggests that the public initially likes what it sees.

More than half of those surveyed now approve of the job Mr. Clinton is doing as president. At the same time, approval for the new Republican-controlled Congress has doubled in three months, a marked increase in public support.

A majority of the survey respondents said they thought Republicans in Congress were breaking legislative gridlock. At the same time, the respondents said, Mr. Clinton looks more like the "new style" Democrat of his 1992 presidential campaign than the liberal tax-and-spender portrayed in last year's congressional campaigns.

But not all the news was good for the president and Congress.

While congressional approval has surged, half

of those surveyed still said they disapproved of the job Congress is doing. The survey also found that the public may already be losing some confidence in Republican approaches to solving the country's biggest problems.

A total of 1,029 randomly selected adults were interviewed Jan. 26-29 for this poll. Margin of sampling error is 3 percentage points.

Fewer than half of the respondents said they were confident that Mr. Clinton could "deal with the big issues facing this country." Still, the poll found that Mr. Clinton's job approval rating climbed to 54 percent after his State of the Union address last week, an increase of 9 percentage points in barely three weeks. That represents the first time in more than six months that Mr. Clinton's popularity is above 50 percent.

Pushing the president's ratings above 50 percent has been a major goal of the White House, which hopes to deter mainstream Democrats from challenging Mr. Clinton in the primaries. On Monday, Senator Bill Bradley of New Jersey,

in a radio interview that stunned some Democrats, suggested Mr. Clinton could face a such a challenge.

"I think that people are going to look at the president in the next six to eight months and they are going to make an assessment as to whether they believe that he can do the job," Mr. Bradley said.

Pressed if he might run, Mr. Bradley said: "I think anybody could step up to the plate if the circumstances were right. One doesn't know what is going to happen. I don't have any anticipation of doing that."

While Mr. Bradley echoed many commentators in panicking Mr. Clinton's State of the Union address, the survey suggested that Mr. Clinton achieved one of his major goals, to highlight his stewardship of the economy. In the poll, 52 percent of those surveyed said they approved of the way Mr. Clinton was handling the economy, up from 42 percent just three weeks ago.

The president has also managed to refurbish

his image as a "new style" Democrat. In the latest survey, 54 percent said he was a "new style" Democrat, while 40 percent said he was an "old-style, tax-and-spend Democrat." Three weeks ago, only 45 percent said Mr. Clinton was a "new style" Democrat.

Congress under the control of Republicans has undergone an even greater transformation. The survey found that the proportion of respondents who said they approved of the job that Congress is doing soared from 21 percent in October to 42 percent in the latest survey, the highest level of approval since the Gulf crisis more than three years ago.

But other results suggested that Americans may be cooling to the Republicans' agenda. By 46 percent to 40 percent, congressional Republicans were trusted more than Mr. Clinton to deal with the nation's problems. That represented a decline from three weeks ago, when the Republicans had a 54 percent advantage over the president.

Traffickers Blaze New Path to U.S.

Canada Connection for Drugs

By Clyde H. Farnsworth
New York Times Staff Writer

VANCOUVER, British Columbia — The vast and sparsely populated coast of British Columbia is increasingly being used as a transshipment point for drugs, mostly from Asia, that are smuggled overland into the United States.

The Royal Canadian Mounted Police attribute this to stepped-up coastal enforcement by the United States and to comparatively lenient Canadian penalties for drug offenses.

Until about a half-dozen years ago, illegal drugs used in British Columbia were brought in from the United States, but now "there's been pretty well a 180-degree turn," said Staff Sergeant Pat Convey, chief of the Mounties' Victoria drug squad. "We're seeing a lot of narcotics in this part of the world destined for the States."

Of the drugs that are passing through western Canada, the heroin that is coming primarily from the so-called Golden Triangle region of Southeast Asia is causing the most serious problems. It has led to a sharp increase in fatal overdoses in British Columbia because an estimated 5 percent to 10 percent remains in the local market. The other drugs include hashish from South Asia and cocaine and marijuana from South America.

The drugs are hidden inside shipping containers that arrive at the ports of Victoria and Vancouver, or are transferred from larger vessels on the open sea to fishing boats or other small craft, then are dropped off at isolated beaches.

Vancouver, one of the busiest ports in the world, receives more than 100,000 containers a week from dozens of ships arriving from Pacific Basin ports. In one seizure last summer,

more than 156 pounds (70 kilograms) of pure heroin was found in a container of rice vermicelli from China. Staff Sergeant Jack Dop, chief of an enforcement unit of the Mounties' Vancouver drug section, said supplies were increasingly coming from China.

While the force does not break down figures by region, seizures of heroin have increased threefold from more than 96 pounds in 1989 to 339 pounds in 1993 nationally, according to a compilation at headquarters in Ottawa. Figures for last year are not yet available.

As more drugs pass through British Columbia, more are being used locally, and this is reflected in falling street prices for heroin, rising purity, and a nearly tenfold surge in the number of drug overdose deaths, mainly from heroin, in the province over the last half-dozen years. As a result, the province's chief coroner has called for decriminalizing the simple possession of drugs but wants importers of illegal drugs to be treated as murderers.

Five years ago, Sergeant Convey said, heroin sold on the street was 4 percent to 10 percent pure, but "now we're seeing it anywhere from 70 to 100 percent."

Southeast Asians, who in recent years have moved to Canada's west coast in large numbers, are said to be the main street traffickers.

While a small fraction of the drugs remain in this region, the rest are transported to warehouses in the interior, where shipments are prepared for the overland trek south, usually across rural border points into such states as Idaho, Montana, and North Dakota and then to the major drug consumption centers.



SECURITY WATCH — Policemen observing a spectator enter U.S. District Court in New York for the trial of Sheikh Omar Abdel Rahman. He and 11 others are accused of planning the World Trade Center bombing.

Away From Politics

• A federal judge has upheld the jury verdicts in the trial last year over the Exxon Valdez oil spill, rejecting Exxon's request that he reduce the \$5 billion fine. The company said it would appeal the fine and other judgments. (Reuters)

• A man who served eight years in prison for a 1986 rape is being released because DNA tests have shown he could not have committed the crime, the Westchester County, New York, district attorney said. He was convicted after the victim identified him in photographs and two police lineups. (NYT)

• Two black churches and a black-owned bar were firebombed and a crude cross was burned in front of one of the churches, Tennessee officials said. "To my knowledge, we haven't had a history of hate crimes," said the Maury County sheriff, Enoch George. "I think it's pretty low down — anyone who would try to burn a house of the Lord." (AP)

• A Los Angeles judge wants five jurors subpoenaed to determine if they broke a state law by discussing possible sentences before reaching a verdict to convict the so-called Hollywood Madam, Heidi Fleiss, of pandering. (AP)

• Eli Lilly has disciplined two employees for promoting the drug company's anti-depressant Prozac at a seminar on depression for high school students. They distributed pens and brochures, an Indiana newspaper said. It did not say what their punishment was. (AP)

• Texas has executed a pair of convicted killers by lethal injection an hour apart, the state's first double execution in one day since 1950. (Reuters)

• The New York City schools chancellor plans to press for year-round schooling, with some schools staying open this summer, to ease overcrowding. (NYT)

Both UN and White House Have Something to Prove in Haiti

By Julia Preston
Washington Post Staff Writer

UNITED NATIONS, New York — The United Nations Security Council has begun to transfer the Haitian peacekeeping mission from U.S. to UN command, opening the way for a crucial test of the Clinton administration's partnership with the world organization.

The administration, faced with rising hostility from a Republican-controlled Congress, hopes to show that UN troops can keep the peace won by U.S. military intervention last fall and at the

same time reduce U.S. spending on the effort.

It is also a chance for the United Nations to repair an image stained by its spectacular and expensive failure in Somalia by demonstrating that it can guide Haiti toward stable democracy. The council adopted a resolution declaring that the U.S.-led intervention force had achieved a "secure and stable environment" in Haiti and setting the turnover date for March 31.

About 2,400 U.S. troops, many already in Haiti, will stay on as part of the UN contingent, which will total 6,000 troops and 900 police

officers. The United States insisted that an American command the force, but Major General Joseph W. Kinzer will be subject, technically at least, to the authority of the UN secretary-general, Boutros Boutros Ghali, not the Pentagon.

Rules of armed engagement for the UN troops will permit them to open fire only in self-defense.

Mr. Boutros Ghali, in an assessment he sent the council, said security conditions in Haiti had been greatly improved by the U.S. force, but he cautioned that the situation remained "fragile" with crime rampant and anti-government para-

military gangs in hiding, disorganized but not destroyed.

Administration officials argue that the challenge in Haiti is not comparable to that of Somalia.

"You don't have warlords; it's a different political climate," said the U.S. ambassador to the United Nations, Madeleine K. Albright.

President Jean-Bertrand Aristide enjoys wide popular support, U.S. officials say, and has kept his pledge to refrain from reprisals against political foes.

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LEGAL NOTICE

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

Plaintiff,

v.

BCCI HOLDINGS (LUXEMBOURG), S.A.,
BANK OF CREDIT AND COMMERCE
INTERNATIONAL, S.A.,
BANK OF CREDIT AND COMMERCE
INTERNATIONAL (OVERSEAS) LIMITED,
INTERNATIONAL CREDIT AND INVESTMENT
COMPANY (OVERSEAS) LIMITED.

Defendants

CRIMINAL NUMBER

91-0655 (JHG)

NOTICE OF FORFEITURE

NOTICE IS HEREBY GIVEN that on December 21, 1994, in the above-captioned case, the Honorable Joyce Hens Green, United States District Judge for the District of Columbia, entered a preliminary Order of Forfeiture condemning and forfeiting the following properties to the United States of America:

Fourth Supplemental List of Forfeited Property

Description	Approximate Value
Excess funds from liquidation of New York agency of BCCI S.A.	\$ 77,000,000.00
Excess funds from liquidation of California agency of BCCI S.A. not included in Third Supplemental List of Forfeited Property	\$ 3,647,571.00
Funds at Chase Manhattan Bank representing interest owed to BCCI S.A. on bonds issued by the Republic of Venezuela: Account No. C20135 B	\$ 5,086.56
Accounts of BCCI S.A. Dubai at Bank of New York: (transferred to Court Registry Investment System)	\$ 3,600.00
Accounts of BCCI (Overseas) Bombay at New York agency of BCCI S.A.: Account Nos. 2044100105 and 2044100207 (transferred to Court Registry Investment System)	\$ 45,163.04
Carlson Farm, Sherman, Connecticut	\$ 2,000,000.00
Assets of BCCI Nigeria at American Express Bank, Account No. 3152977 ("BCCI (OVERSEAS) Nairobi")	\$ 82,156.99
Bankruptcy distributions to BCCI:	
American Mills (transferred to Court Registry Investment System)	\$ 7,000.00
Domino Investment, Ltd.	\$ 23,

Even Israel's Market Surge Is a Rebuff for Prime Minister

By Clyde Haberman
New York Times Service

JERUSALEM — In most places, a one-day surge of 7.7 percent in stock prices would send a government's heart soaring and put its spin doctors to work expounding on the policy-makers' wisdom.

But such is the enfeebled political state of Prime Minister Yitzhak Rabin that when share prices on the Tel Aviv Stock Exchange shot up like a Roman candle Tuesday, it was widely seen not as an expression of support for his government but as a rebuff, the latest of many.

Shares rose sharply out of investor giddiness over a government announcement the day before that it was reversing itself and dropping a new capital-gains tax that had gone into effect on Jan. 1, but never really got off the ground.

The main Mishtanin index of 100 major companies soared by 7.7 percent, to close at 174.7 points.

Despite this gain, the Israeli market is still in a swoon, with the Mishtanin down by 31 percent from a year ago.

The issue for many Israelis was not so much the tax itself, for people are divided over whether it was an onerous or fair-minded innovation. Rather, as senior officials acknowledged, the government looked weak. Most questions Tuesday dealt not with economic policy but with Mr. Rabin's credibility and constancy. These are questions he has also faced in regard to national survival matters such as Israel's sputtering peace talks with the Palestinians.

The problem for many here is figuring out where exactly he stands. "Zigzag" is a word used with growing frequency by headline writers and opposition leaders alike to describe government decisions, and the ill-fated 10 percent tax on stock-market transactions came to symbolize the problem.

Last June, the prime minister said that he would never accept such a tax. Two months later, his Labor-led government passed it. As 1994 drew to a close, Mr. Rabin disclosed that he had second thoughts. Then he said that, on reflection, the tax would stay after all.

But by last weekend he was rethinking it again, calling it a mistake and fighting publicly with its champion, Finance Minister Avraham Shohat. Finally, waiting until after the stock market had closed, Mr. Shohat announced Monday that the politically troubled tax was indeed dead and would be buried by the full cabinet next week.

"The big loser in reality is Yitzhak Rabin," Nehemiah Strasser, a columnist for the newspaper *Ha'aretz*, wrote Tuesday.

"The public sees a prime minister who tends to go with the wind," he said, "whose decision isn't a decision, whose backing isn't backing, who one time is for and another time is against, who cannot withstand pressures. Then the question arises that maybe this is how the prime minister deals with other, more crucial issues, like the peace process."

Israeli officials acknowledge what opinion polls already confirm — that the government, which lacks an assured parliamentary majority, is in the worst political shape it has been since it supplanted the rightist Likud party in July 1992.

Israel Bars Jews From Mosque

HEBRON, West Bank — Fearing bloodshed during the Muslim holy month of Ramadan, the Israeli Army barred Jews on Tuesday from a mosque in the occupied West Bank that was the site of a massacre of Palestinians in 1994, the army said.

The army also imposed severe security checks on Muslim worshippers, many of whom said they were still afraid to pray in the Tomb of the Patriarchs, where a Jewish settler killed 30 Arabs at prayer during Ramadan last year.

Israeli security authorities, dismayed at Islamic suicide bombings that have killed scores of Israelis since the mosque incident, said they expected militant groups to stage further high-profile attacks during Ramadan.

WARRIOR: Taking On Russians

Continued from Page 1

of war. Mr. Maltsev described a war that changes every day, battles that rage fiercely, stop completely and then resume.

There is no clear chain of command among the rebels.

"When there is shooting we just find each other," he said. He added that they were delighted that Russian forces decided to fight them in Grozny instead of in the towns surrounding it, so that they can be more flexible.

"Sometimes we fight at night," he said, "sometimes in the day. We change our schedule to keep them off balance. When they relax we get started. When they hit us with artillery we go around to the other side."

BORDER: Recreating a War

Continued from Page 1

gold and uranium has made it even more important as a point of national honor.

"All the world's minerals are there," said a 17-year-old youth named Monje, who was born in the area where the fighting is now taking place. "They have realized it and that is why they want it. But we are not going to give it up."

In the Peruvian town of Tumbes, the regional capital, soldiers were collecting gasoline, and residents who own large cars and trucks were fearful they would be asked to turn them over. On Sunday night, army officers patrolled the area near the cathedral, looking for recruits.

"Ecuador has always been the aggressor," said Faustino Leon, 24, who was sitting in a park in Tumbes with other students from the university. "A war is not good for either side. But if we have to, we will support the army. We will go to the front."

U.S. Travel Advisory

The State Department is advising Americans to postpone indefinitely any travel to Ecuador's Zamora Chinchipe, Loja and El Oro provinces and to the northern reaches of Peru. The Associated Press reported from Washington.

U.S. citizens already in the area should keep up with developments and curb their travel until there is stability, the department said.

Traders at the Tel Aviv Stock Exchange working furiously Tuesday as stock prices rose after a new tax was dropped.



Traders at the Tel Aviv Stock Exchange working furiously Tuesday as stock prices rose after a new tax was dropped.

ISLAM: Sheikh's Religious Edict Complicates Middle East Peace Talks

Continued from Page 1

lets and on cassette tapes. The dispute rapidly began drawing in clerics in Egypt, Jordan and North Africa.

"Applying this to Jews is incorrect, because these usurping Jews have never headed toward peace," an influential Egyptian theologian, Sheikh Youssef Kardawi, said of the Saudi edict in a commentary last week in the Egyptian opposition newspaper *Al-Shaah*. "How can we consider that they have done so, if they took land and spilled blood and pushed people out of their homes unjustly?"

He cited the Palestinians and other Arabs who have lost homes in Jaffa and Haifa, Israel, as well as in "Jerusalem itself."

The criticism prompted Sheikh Bazz last weekend to issue a further explanation of

his fatwa, in which he seemed to back down a bit, by specifying that peace with Israel was conditional on fulfillment of several conditions and could not be made as long as Jews occupied Arab Muslim lands.

The clerics' protests are linking up with the rejection by many Arab leftists of Arab peace treaties with Israel. A vast number of columnists, writers, politicians and cultural figures in Egypt, Iraq, North Africa, Syria and among the Palestinians have long argued that normalizing ties with Israel now would consolidate an Arab defeat in the long struggle that began with Israel's founding in 1948.

The meeting of these two currents has led a number of Arab governments to slow the pace of their discussions with Israel, after a period last summer in which Arabs

seemed to be racing to sign peace agreements.

At an economic conference in Casablanca, Morocco, in October, for instance, Arab governments, particularly those of the Gulf, held back from calling for joint business ventures with Israel and the formation of a regional development bank.

In another meeting this month in Morocco, Muslim nations declared that all of Jerusalem had to be placed under Palestinian jurisdiction. That position directly clashes with Israel's stance that Jerusalem will forever be its capital.

In Egypt, a normalization process that had been largely frozen is now further jeopardized by a dispute with Israel over Egypt's refusal to sign a nuclear nonproliferation treaty unless Israel agrees to talk about eliminating its nuclear weapons.

Weaning Mexico From Foreign Investors Clinton's New Aid Package Is Intended to Ease Transition

By Lawrence Malkin
International Herald Tribune

NEW YORK — The loan package announced Tuesday by President Bill Clinton is designed to ease Mexico over for the next two to three years so that it can shift away from financing its economic growth through heavy dependence on short-term foreign investment in high-yielding government securities and the Mexican Bolsa.

This fickle capital fled — most of it back to Wall Street — at the first whiff of trouble, running down Mexico's reserves to \$6 billion from \$26 billion in one year. That left Mexico with no option but to devalue the peso to bolster exports, limit imports, and reverse a trade deficit of \$27 billion in 1994.

With its cupboard of reserves virtually empty, Mexico still faced demands by foreigners to repatriate the \$17 billion in pesos they had sunk into dollar-guaranteed Mexican Treasury certificates, called *tesobonos*, that came due this year. The original \$40 billion in loan guarantees was designed to reassure foreigners that Mexico could pay its debts so that they would buy new certificates when the old ones came due. But many U.S. funds still want to take out their money.

The new package is designed to provide similar reassurance. It totals \$47.5 billion worth of different credit lines:

• \$20 billion from the U.S. Treasury's Exchange Stabilization Fund. Originally, \$6 billion was set aside to help Mexico last summer, an amount raised to \$9 billion in December. None of the money has been drawn upon, but probably will be in the next few days to prop up Mexico's depleted reserves.

This obscure fund, now worth \$25 billion, according to Treasury officials, dates from 1934, when it consisted of the profits from selling part of the nation's gold reserves to devalue the dollar to \$35 an ounce. Invested in U.S. and foreign treasury bills and International Monetary Fund Special Drawing Rights, it has grown and is the government's main war chest for buying dollars in currency markets when it wants to prop up the U.S. currency.

The fund can lend money for more than six months without congressional approval if the president certifies that the money is being used in "unique or emergency circumstances." Treasury officials said that the Federal Reserve Board would provide credit lines totaling \$5 billion to \$6 billion for a year as a bridge to commercial loans of 3 to 10 years and that they would be mainly guaranteed by the stabilization fund rather than made directly from it.

• \$17.5 billion in IMF standby credits. This adds \$10 billion to the original IMF

credit negotiated Thursday, which commits Mexico to an austerity package policed by the Fund — and not the U.S. government, as would have been the case with the original U.S. guarantee package. The credit can be disbursed immediately, or over 18 months as Mexico shifts its economy to lesser reliance on foreign capital. It has to be paid back in three to five years.

• \$10 billion from the central banks of the industrial nations through the Bank for International Settlements. The sum is the largest ever floated by the central banks' clearinghouse in Basel. The credit line, doubled from \$5 billion in the original package, will be composed of traditional, short-term central currency exchanges between the Banco de Mexico and U.S., German, Japanese and other major central banks. Known as swaps and usually lasting for only a few months, they are designed to bolster Mexico's foreign currency reserves against withdrawals.

In addition to the Clinton package, the Mexican government also announced it had a total of \$50.76 billion available, which includes \$3 billion from commercial banks, Banco de Santander of Spain announced Tuesday that it would kick in \$300 million to add to money pledged by Citicorp and J.P. Morgan.

MEXICO: Clinton Gives Up on Congress and Crafts Own Strategy

Continued from Page 1

sert themselves." The IMF had previously announced a \$7.8 billion line of credit, central banks around the world had committed \$5 billion in support, Canada had promised \$1 billion to help bolster the peso and four South American nations had announced \$1 billion in support.

According to U.S. officials, central banks, acting through the Bank for International Settlements, will double their \$5 billion package of short-term authority to \$10 billion; and the IMF will expand its intermediate and long-term emergency authority for Mexico to \$17.5 billion.

The central U.S. effort will be to make available to Mexico \$20 billion in intermediate and long-term borrowing authority from the Exchange Stabilization Fund. That fund is normally used for short-term loans and purchases in international currency markets to support the dollar.

Secretary of State Warren M. Christopher said the fund had \$25 billion available.

The White House and Treasury Department said the president had the legal authority to tap the fund and to fashion a long-term line of credit to Mexico. Later Tuesday, congressional leaders from

both parties issued a letter supporting Mr. Clinton's action and confirming that the president had the legal authority to act on his own.

"He won't be out there by himself," Bob Dole of Kansas, the Senate majority leader, said.

The IMF will require Mexico to take a range of belt-tightening measures to shore up its economy, central bank and federal budget. Mexico has agreed to make available an expected \$7 billion in future revenues from crude oil sales by the state-owned Pemex oil company as collateral for the U.S. loans.

Mr. Clinton asserted that U.S. national interests were at stake, including jobs and exports, a secure border under threat from illegal immigrants and drug-runners, and a sound global economy.

Many investors, the vast majority of them Americans, bought Mexican government bonds, whose value have fallen sharply as the peso lost 45 percent of its value against the dollar. The Treasury estimates that U.S. residents hold \$18 billion worth of Mexican bonds and direct investments in Mexico with a market value of around \$50 billion.

U.S. public support for the loan guarantees withered in January under a barrage of criticism suggesting that a "bai-

lout" of Mexico would risk U.S. taxpayers' dollars while helping Wall Street investors who lost money in Mexico and rewarding the Mexican government for fiscal ineptitude.

Mr. Clinton's assertion that 700,000 U.S. jobs could be lost if the peso crisis was not halted failed to take hold, and initial support from Republican leaders in Congress disappeared.

The collapse of Mr. Clinton's legislative strategy and the accompanying retreat by congressional leaders created a crisis atmosphere in Washington. Republican critics of the president, including several who aspire to the White House, blamed Mr. Clinton for the confusion and delay.

"Bill Clinton did not get the job done," Senator Phil Gramm of Texas, a potential Republican presidential candidate, said after the president's initial plan collapsed.

Jeffrey Schott, an international economist at the private Institute for International Economics in Washington, lamented the president's move, saying it would add uncertainty to the U.S.-Mexican relationship in the long run and cast doubt on "the ability of the United States to act on its own."

Wife-Abuse Account At Simpson's Trial

Policeman Tells of the Victim's Crying: 'He's Going to Kill Me!'

LOS ANGELES — A hysterical, bruised Nicole Brown Simpson told a policeman that O.J. Simpson slapped and kicked her in 1989, the officer testified Tuesday.

The officer, Detective John Edwards, testified that Mrs. Simpson told him, "He's going to kill me!"

"I said, 'Who's going to kill you?'" he added. "She said, 'O.J.'"

"I was a little surprised," Mr. Edwards testified. "I said, 'O.J. who? You mean the football player?'" She said, "Yes, O.J. Simpson, the football player."

Mr. Simpson pleaded not guilty to spousal battery in the Jan. 1, 1989, incident.

Mr. Edwards, the second witness to testify as the prosecution began its case, spoke after the prosecutor, Marcia Clark, told jurors that a defense witness who has claimed that she saw four men speeding away from the area where the killings of Mrs. Simpson and her friend Ronald L. Goldman took place is "a known liar and a Simpson case groupie."

In a rebuttal to the defense opening statement, Ms. Clark also said the defense witness, Mary Anne Gerchak, told a friend she was not even in the neighborhood the night of the killings.

Bringing their first witnesses to the stand in the trial, prosecutors called a police dispatcher in addition to Mr. Edwards to help establish a motive for the June 12 slayings. A defense lawyer said on Monday that Mr. Simpson was home alone, hitting golf balls into a sandbox at the time of the killings.

Much of Mr. Edwards's account had already been known because his report on the beating was made public. He testified Tuesday that he went to the Simpson house that morning and found Mrs. Simpson hysterical and with the imprint of a hand on her throat, a cut lip and bruises on her face.

Gerald Durrell, Writer And Zoologist, Is Dead

LONDON — The British writer and zoologist Gerald Durrell, 70, whose best-sellers were full of witty depictions of the animal kingdom, died Monday on the Channel island of Jersey following complications from a liver transplant.

The author of "My Family and Other Animals" and "The Overloaded Ark" may be best remembered for pioneering animal conservation.

He devoted his final years to his zoo in Jersey, which he set up in 1959 as a sanctuary for animals threatened with extinction. The zoo attracts more than 200,000 visitors a year.

Mr. Durrell, who called himself "a kind of hairy Florence Nightingale," maintained that he preferred the company of animals to that of humans, saying animals "did not think they were God."

Sir David Attenborough, the naturalist, said Mr. Durrell had "changed the face of zoos and what zoos should be doing."

"He was, I think, among the first to demonstrate that zoos needn't be about polar bears, elephants and lions, but they could be about ants and small reptiles," he told the BBC.

Prolific writer that he was, Mr. Durrell never received the

critical acclaim accorded to his brother Lawrence, whose "Alexandria Quartet" is hailed as a modern classic.

George Woodcock, 82, Canadian Poet and Essayist

VANCOUVER, British Columbia (AP) — George Woodcock, 82, one of Canada's most celebrated writers, died Saturday of heart problems.

Mr. Woodcock wrote and edited almost 150 books. His "Anarchism" is considered the definitive book on the subject, while "The Crystal Spirit," a biography of his friend George Orwell, won a Governor General's Award.

A poet, critic and essayist as well as a teacher, he was the founding editor of Canadian Literature, the first journal of its kind to look solely at Canada's literary world. He founded the anarchist literary journal *Now* in 1940.

Jeffrey P. Beck, 48, a flamboyant merger-and-acquisition specialist on Wall Street who rose to prominence in the 1980s, died Saturday of a heart attack in New York City.

Suresh Shankar Nudkarni, 61, the chief regulator of India's swiftly emerging stock markets, died Tuesday after a heart attack in New Delhi.

BOSNIA: Paris Urges New Talks

Continued from Page 1

the longer-term goal of becoming part of a Greater Serbia. Meanwhile, the Bosnian government has been lobbying the Republican-controlled U.S. Congress to allow weapons to flow to its mostly Muslim forces unless local Serbs accept a plan that would roughly divide territory between them and a federation of Bosnian Croats and Muslims. The Serbs now control about 70 percent of the land.

If Croatia orders the UN troops to leave in a bid to regain sovereignty over Krajina and hostilities begin to escalate in central Bosnia after the winter lull, Western diplomats say, a combustible chain reaction could take place.

In the event of an attack by Croatia's forces in the Krajina region, Serbia's president, Slobodan Milosevic, would almost certainly be compelled to intervene on behalf of his kinsmen by supplying weapons and, perhaps, troops.

With Serbia preoccupied by the fate of its Croatian brethren, diplomats are worried that the Sarajevo government could be tempted to embark on a new offensive to retrieve lost ground now held by Bosnian Serbs.

In the south, ethnic tensions are rising and could eventually erupt into open warfare, especially in the province of Kosovo, where a 90 percent Albanian majority is chafing under what they call Serbian oppression. Neighboring Albania could be drawn into the conflict in an attempt to protect its Muslim brothers there.

At the same time, the landlocked southern state of Macedonia has come perilously close to collapse because of a crippling blockade imposed by Greece. Western diplomats worry that the situation could lead to a conflict between Greece and Turkey.

Serbs Reneged on Pledge

Bosnian Serbian forces besieging Sarajevo on Tuesday refused to reopen roads to civilian traffic across the city's airport, dealing a further blow to the truce, Reuters reported.

The Serbs had earlier told UN commanders they would reopen the roads.

Meanwhile, fighting in the northwestern Bosnian enclave of Bihac between troops of the Muslim-led government and Muslim rebels allied to Serbs subsided after heavy artillery and mortar barrages lasting into Tuesday morning.

FLOODS: In 'a Gigantic Exodus,' 100,000 Flee Their Homes in Netherlands

Continued from Page 1

densely-populated country seemed to have lost some of its drainage capacity.

"This is not just a Dutch problem, it's a European problem," Mrs. de Boer said in a radio interview. "The absorbent affect of the land has been lost in many areas, so water descends on us much more quickly."

A spokesman for the federal agency that oversees the coun-

try's dikes, Koos Groen, predicted that the scope of this week's flood would lead Parliament to approve a proposed \$700 million for reinforcement projects.

"We are hoping that something will finally change," Mr. Groen said. "The evacuation has really shocked everyone in this country."

On the Amsterdam Stock Exchange Tuesday, stocks of companies involved in dike building rose sharply.

After the 1953 flood, a crash program was launched to strengthen dikes along the North Sea. No comparable work, however, was done on dikes along the Rhine, Meuse and Waal Rivers, which are now overflowing.

An unusual climatic pattern has allowed a stream of warm, wet air from the Atlantic to sweep across northern Europe, where groundwater levels are high because of heavy rain late

See our
Education Directory
every Tuesday

STAGE/ENTERTAINMENT

'Lucia' Returns to Paris But Perhaps Not What Donizetti Had in Mind

By David Stevens
International Herald Tribune

PARIS — Donizetti's seemingly indestructible "Lucia di Lammermoor" has returned to the repertoire of the Paris Opéra after a quarter-century, splendidly sung, admirably complete, and in a staging that has an agenda totally different than that of the composer and his librettist.

This is hardly new on the current opera scene. Andrei Serban, who has been responsible for brilliant work in both the spoken and lyric theater, gives fair warning in a program note that he is after something else. Although he concedes that Donizetti's music expresses the hidden subtext of the subconscious, which it surely does (i.e. Lucia's fragile mental stability), Serban and his designer, William Dudley, give the subtext as they see it.

Thus, we are in a "war-torn country," with a setting that "evokes a military universe under male domination." Forget misty and romantic Scotland of the late 16th century, or maybe a century later — the libretto itself is none too clear about that.

Instead, on the stage of the Bastille, we see the 19th century with a décor that mingles two elements. On the one hand there is the medical milieu of Jean Martin Charcot, director of the neurological clinic at the Salpêtrière hospital in Paris and a pre-Freud pioneer in the fields of hysteria, locomotor ataxia and the like.

Within Professor Charcot's semicircular hospital theater, with the male chorus in the gallery observing the proceedings, is a variety of paraphernalia suggestive of the French cavalry school at Saumur. Henry Ashington, Lucia's desperate brother, and his cohorts are in the appropriate period military uniforms, behaving in a suitably cross manner, not excluding the occasional rape.

Perhaps this better explains



Roberto Alagna and June Anderson in "Lucia."

why Lucia loses her mental balance on the day of her wedding and kills her unwanted bridegroom, although the chorus and boos that greeted Serban and Dudley at the final curtain make that a debatable thesis.

On the other hand, there were nothing but cheers for the impressive cast. June Anderson is surely the Lucia of the moment, and although she lent herself heroically to the frenetic demands of the staging, she also sang the role with superb possession of her vocal means and understanding of the psychological subtext.

The outstanding young French lyric tenor, Roberto Alagna, was a fine Edgardo, a reminder, indeed, that at various times in the past this has often been considered the soprano's opera rather than the soprano's. Compared with the ease of his singing at the Opéra Comique last season as Gounod's Romeo, he sometimes seemed to be pressing a bit, but that is understandable in the relatively vast space of the Opéra Bastille, not to mention the discomfort of having to sing the final scene from a metal bridge high above the stage floor.

Gino Quilico's baritone seems

to have taken on new weight in recent seasons, and he made a solidly eloquent Enrico, and Francesco Elia of Aragona was an excellent Raimondo. Gérard Garino as the unfortunate Arturo and Martine Mahé as Alisa gave weight to their secondary roles. As Normanno, Christian Jean had of course very little to sing, but he was given a great deal to do stalking menacingly around the stage making intimidating military gestures.

Two scenes that used to be systematically omitted were included here. They are the scene in which Raimondo adds his own arguments to persuade Lucia to accept her brother's machinations, and the first scene of the final act in which Enrico and Edgardo confront each other. Their inclusion was all to the good. Maurizio Benini's conducting, if not eloquent, was never less than efficient and supportive of the singers.

There remains a question of how useful this staging is likely to be. The Opéra needs repertory staples that can be used for a reasonable period of time. "Lucia" is certainly a staple, but how long the Paris public will want to live with this wild staging remains to be seen.



Mary-Louise Parker, Drew Barrymore and Whoopi Goldberg, during recording session with Bonnie Raitt for "Boys on the Side."

Rock Soundtrack, a Tale of Sisterhood

By Liesl Schillinger
New York Times Service

NEW YORK — The moment the screen lights up with Whoopi Goldberg's face, the theater fills with the sound of Goldberg singing Janis Joplin's defiant anthem "Piece of My Heart."

It isn't hard to suspect that the film "Boys on the Side," which opens in New York Friday, is meant to be heard as much as seen. Indeed, by the time this story about sisterhood concludes, moviegoers will have heard 24 rock songs by arguably every leading contemporary female vocalist. (The soundtrack album will be released this week by Arista Records.)

Among the women whose voices are heard in the film are the folk-rock newcomers the Indigo Girls, along with such hit vocalists of the '80s as Annie Lennox and Chrissie Hynde and the country-rock icons Bonnie Raitt, Melissa Etheridge and Sheryl Crow. Practically the only male singer heard is Elvis Presley, whose "Jailhouse Rock" is played in a party scene.

The all-female sound track is no accident; it is just what the film's producers — Herb Ross, the director; Mitchell Leib, the music director of the film's production company, Regency/Hera, and Clive Davis, the president of Arista Records — set out to create. "We have kept very strongly to a female sound track," said Davis, "not as a gimmick but as a heartfelt statement."

"Boys on the Side," written by Don Roos, who also wrote the screenplay for "Single White Female," can be seen as a hip, feminist, multiracial take on "Pilgrimage."

Three lonely women — the struggling singer Jane (played by Goldberg), the control freak Robin (Mary-Louise Parker) and the ditty Holly (Drew Barrymore) — journey cross-country by minivan, learning to trust one another en route. Complications ensue because Holly is unmarried and pregnant, Jane is a recently jilted lesbian, and Robin, whom Jane calls "the whitest woman in America," has AIDS.

The songs were chosen, Ross said, "sometimes to describe the state of mind of the women, sometimes as an artistic statement." For instance,

when Jane comes to accept Robin, who loves the '70s soft-rock group the Carpenters, she sings their mellow hit song "Superstar" to her. Earlier, when the three take to the road, the sound track swells with the break-loose beat of Crow performing "Keep On Growing."

As the trip progresses, Stevie Nicks sings "Somebody Stand by Me," written for the film by Crow and Todd Wolf to express how the women evolve into an unconventional family.

Whose idea was it to have an all-female sound track? Ross thought it might be his, Leib claimed. "It was my idea originally," Davis said. "I thought it would have a major impact if the entire sound track were performed by women."

W H O E V E R deserves credit for the idea, it proved appealing to virtually everyone involved in the film. "It just made total sense," said Leib. "That female vocalists would help to solidify the emotions better than a male voice in a film about three women."

Bonnie Raitt, who performs Roy Orbison's "You Got It" in the film, agreed. "It's a great idea," she said, "to have female voices in a film about female bonding and sisterhood."

The three stars helped choose the songs. "Whoopi's kind of like a mynah bird," Leib said. "I'd put on a song, and she would immediately go into a skid and sing it, because when she'd hear it she'd get moved and get going."

Ross recalled asking the actresses to brainstorm on what kind of music they liked to play while driving in a car, since the women spend a good deal of the film car pooling from New York to Tucson, Arizona. "That's how we got 'Shame Shame Shame,'" he said, alluding to the Shirley and Co. song the characters listen to on their journey.

It was Leib and Ross who persuaded the Indigo Girls to appear in the film. And it was Davis, of Arista, who insisted that Ross get Raitt to make her own recording of "You Got It" for the film's sound track. (Goldberg also performs the song in the film.)

"I felt that if Bonnie emotionally brought back the song at the end, it would be very strong," Davis said.

SHORT CUTS

• **LOS JOVENES FLAMENCOS**, Vol. IV (Nuevos Medios): Like with the tango and the *bal musette*, young rock and jazz-oriented players have been modernizing flamenco. This volume sometimes borders on new-wave goo, but groups

like Pata Negra and Ketama add substance and innovation under the gloss. Hand-clapping and heel-clicking behind funk licks is a refreshing change from backbeats.

• **BODY AND SOUL** (Nerve): A tasty compilation of

ballads played by masters of the saxophone — Coleman Hawkins, Joe Henderson, Charlie Parker, Lester Young, Stan Getz and John Coltrane (Gerry Mulligan does not wear well). An insight into jazz's unique combination of intelligence, mellifluousness and energy.

• **ADIOS AMIGO**, A Tribute to Arthur Alexander (Sky Ranch/Virgin): Homages to Arthur Alexander sung by Elvis Costello, Roger McGuinn, Frank Black, John Prine, Gary U. S. Bonds and others. Alexander, who died in 1993, was a black-born-again Christian who grew up in Alabama and wrote songs in a fertile and unexplored space between country



Stan Getz

and the blues. He called them "clean, simple and direct songs which speak plainly of everyday life."

Mike Zwerin, IHT

LONDON THEATER

Not-So-Merry 'Wives of Windsor'

By Sheridan Morley
International Herald Tribune

LONDON — Written at the express wish of Queen Elizabeth I — a commissioning tradition her namesake has sadly not bothered to continue — "The Merry Wives of Windsor" is increasingly desperate attempt to revive and recycle the old rogues who was his most popular character. It was, I guess, fortunate for him that his monarch didn't demand to have Othello or Lear or Hamlet brought back to her for Part Two, but even Falstaff presents continuity problems.

The fat fool we have here is neither the one that Hal rejects at the end of "Henry IV," nor for obvious reasons the one whose death is so movingly reported by Mistress Quickly in "Henry V," especially as she too is back on stage for what remains, with the possible exception of the recently unrevived "Gammer Gurton's Needle," the first British stage farce.

It remains curiously unloved by contemporary British directors, with the notable exception of Terry Hands, who having staged it twice at his native Royal Shakespeare Company now makes "The Merry Wives" his National Theatre debut. Curiously too, given his evident obsession with it, Hands has precious little to tell us about the play. He simply gives it an excellently stage-managed center around the stage, with such experienced old troupers as Denis Quilley and Brenda Bruce milking every possible laugh out of some often painfully unfunny small-town mishaps.

"The Merry Wives" has always seemed to me to celebrate low jinks rather than high jinks, and not even a fireworks display and the now requisite bands of strolling choirboys can make one believe that the Olivier stage has another "Wind in the Willows"-type family celebration. The Ford-jealousy subplot still seems to belong in some altogether other drama, and a large supporting cast finds itself supporting precious little.

Much of the current vitality of a wintry West End comes from "fringe" companies taking advantage of unbooked theaters to establish a commercial beachhead around Shaftesbury Avenue and make some full-



Maureen Beattie as Mistress Page in "The Merry Wives of Windsor."

price ticket money before heading off on the road once again. And while the laughs in "Merry Wives" have to be dredged up by the cast from a leaden and labored text, Cheek by Jowl has a much easier and happier time of it with "As You Like It" (Albery).

Coming off a world tour that has triumphed from Moscow to Paris and on to the United States, this Declan Donnellan production is all male, not in itself a breakthrough, since the National Theatre through, since the 30 years ago, but nonetheless fresh enough to keep the play bubbling along merrily through its own cross-dressing shenanigans.

This production, never before in the West End, went on the road in July 1991, led then as now by Adrian Lester as a man playing a woman playing a man playing a woman in Donnellan's stilted celebration of confused sexuality. Other casting has improved in the meantime, especially Michael Gardner as a dark, cruising Jacques rightly determined to remind us that even in the Forest of Arden there are sexual predators.

Nick Ormerod's customarily bare stage gradually fills with light and colored ribbons as Cheek by Jowl strips down and then reassembles all the parts in an "As You Like It" that demands, and gets, total reappraisal of a familiar text.

"The Three Lives of Lucie Cabrol" has also been about a bit at home and abroad these last few months, and has now been chosen by Simon McBurney's Theatre de Complicite to mark the company's first commercial season at the cavernous Shaftesbury Theatre.

If this transfer works a little less well than Cheek by Jowl's, it may simply be that "As You Like It" has recently been playing broad stages abroad and is more acclimated to expansion. Theatre de Complicite still looks a little lost behind a very wide proscenium arch, and this once close-up story of a charismatic French peasant is somewhat less effective in long-shot, when viewed across several rows of stalls. For all that, "Lucie" is not to be missed.

She is the Cocodille, the strangely misshapen creature of the peasant earth who grows up to be a successful smuggler and eventually, cheating death, achieves immortality as a spirit, at last reunited with her one true love.

Drawn from one part of a book by John Berger, "Lucie Cabrol" is a picaresque fable about the power of the land, the need for greed, and the eventual triumph of the human spirit over all adversity so long as it is supported by love as strong as the hate it replaces.

Lilo Baur, in the title role, is part Peter Pan, part Hunchback of Notre Dame. It's a dazzling portrayal.

Her story is acted out by a team that becomes her family, the beasts of her fields and even the berry bushes on which she finds the key to her ultimate wealth. This is a mesmeric, landmark evening.

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In this Thursday's HEALTH/SCIENCE

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A furious scientific chase.

Herald International Tribune

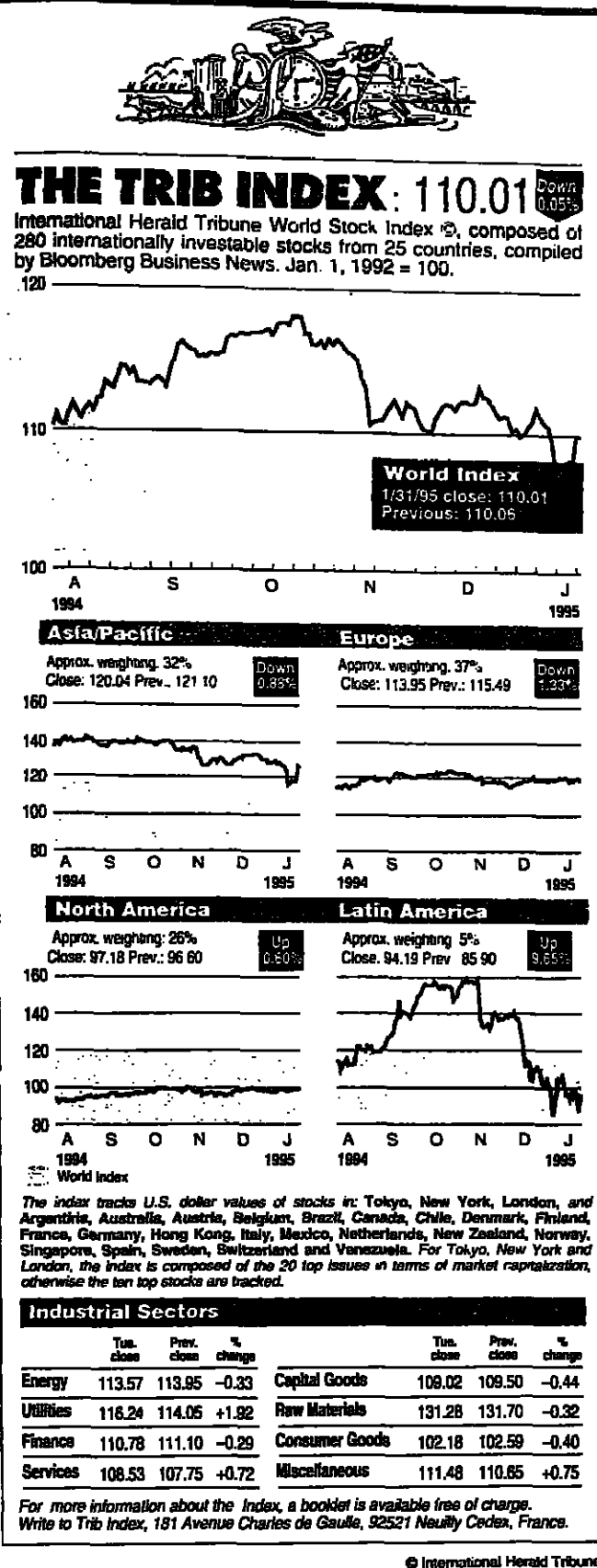
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GM Says Earnings Doubled In 1994

Bloomberg Business News

DETROIT — General Motors Corp. said Tuesday that earnings for 1994 nearly doubled from the previous year, as the company's North American operations posted their first annual profit since 1989.

Separately, GM said it planned to buy back as many as 15 million of its common shares over the next 12 months to distribute through the company's stock savings plans. GM officials were not immediately available for comment.

Net income at the largest American automaker rose 34 percent in the last three months of 1994, to \$1.57 billion. Worldwide revenue rose 14 percent, to \$42.55 billion.

GM said net income of \$4.9 billion for the full year ended a charge of \$758 million related to an accounting change for disability benefits. It earned \$2.5 billion, or \$2.13 a share, in 1993. The 1993 results included a charge of \$478 million for accounting changes.

Full-year revenue rose 12 percent, to \$154.95 billion. GM stock closed at \$38.875, up \$1.50, on the New York Stock Exchange.

North American operations, which include GM's main business of car and truck manufacturing, posted an operating profit of \$492 million for the fourth quarter of 1994, after losing \$328 million in the third quarter.

The division's full-year profit was \$690 million, after a loss of \$872 million for 1993 and more than \$17 billion in cumulative losses since 1990.

GM's international division posted fourth-quarter operating profit of \$374 million, up 41 percent from the previous year, because of gains in Europe and the Asia/Pacific region.

Santer Will Need To Clear the Air

By Barry James
International Herald Tribune

PARIS — Jacques Santer, president of the European Union's executive commission, will face a tough reception in Paris on Friday for apparently opposing a French attempt to impose quotas on European television productions.

Mr. Santer, on his first official visit to Paris since taking over the commission presidency last week, will be asked to state his position "without ambiguity," according to France's minister for European affairs, Alain Lamassoure.

Mr. Santer's remarks, in an interview with the International Herald Tribune, created a shock last week in the French government, which holds the revolving presidency of the 15-nation Council of Ministers.

Mr. Lamassoure said that France had made "cultural independence" in Europe a keystone of its policies during its presidency. France wants the commission to draft legislation imposing minimum quotas for European audiovisual productions and providing financial support for the industry.

Mr. Santer is seeking to avoid the kind of clash on cultural issues with the United States that came close to scuttling talks under the General Agreement on Tariffs and Trade. He said Friday, "A quota is always something artificial that can only last for a certain period of time." A spokesman later said the commission was seeking the best way of helping the industry.

Mr. Santer was supported by Martin Bangemann, the EU commissioner for industry and telecommunications.

But Mr. Bangemann said there should be financial props for the audiovisual industry and suggested taxing television stations that show U.S. productions to raise revenue to help European program makers.

A 1989 directive called "Television Without Frontiers" required EU television stations to ensure that most of their programs are of European origin. France wants the directive to be turned into a much stiffer and legally constraining quota system, which is expected to be strongly opposed by the United States.

Mr. Santer, a former prime minister of Luxembourg, has also shaken many in the French establishment by his decision to allow English to join French as an official language at EU news briefings.

Markets Cheer New Plan Clinton's Maneuver Aids Peso and Bolsa

Compiled by Our Staff From Dispatches

MEXICO CITY — Investors were elated by President Bill Clinton's plan to provide aid to Mexico despite a recalcitrant American Congress, and the battered peso and Mexican stock market posted sizable gains Tuesday.

Mr. Clinton's program, which includes assistance from the International Monetary Fund and the Bank for International Settlements, also took pressure off the dollar. Although the ramifications for the dollar were not clear, Mexico's economic problems have been weighing on the U.S. currency.

In late trading, the dollar stood at 5.6950 pesos, down from 6.3500 pesos at Monday's close. The peso was punished by the market Monday, when the International Herald Tribune reported that Mexico's foreign-exchange reserves were as low as \$2 billion. Although Mexico denied the report, it would not provide a figure.

The dollar ended last week at 5.7350 pesos, compared with less than 3.50 pesos before the Mexican financial crisis erupted in December.

Other Latin American stock markets were heartened by the easing of tensions about Mexico, which ran into trouble because the peso's relatively high value before December allowed Mexicans to run up a 1994 trade deficit of \$28 billion, a level that seems far out of proportion to the country's output.

Mr. Clinton has been anxious to help Mexico because its economy is closely linked to that of the United States. Mexico is virtually tied with Japan as America's second-largest export market, meaning a collapse of living standards would hit the U.S. economy. In addition, as Mr. Clinton noted Tuesday, economic turmoil in Mexico would exacerbate the flow of illegal immigrants into the United States.

After the peso's sharp fall Monday, Mr. Clinton said, he could not wait for Congress to approve a \$40 billion loan-guarantee package, so he instead crafted a program with the IMF and BIS, which groups central banks of major industrial countries.

"The move is in the right direction, and we have to see what kind of permanent policies will come out of this," said David Spiegelman, vice president of First Chicago Corp. in New York.

The Mexican government was more emphatic. "The new financial package fully meets the objective of stabilizing financial markets," the Finance Ministry said. "For that reason the guarantees sought by the government of the United States will not be necessary."

"The arrangement completed today will give us the immediate resources to attend to the problem of short-term liquidity that has been affecting Mexican financial markets."

Certainly, investors took the news as an opportunity to buy Mexican stocks at depressed prices. In late trading, the Bolsa Index surged 10.2 percent, to 2,092.61. The rise took it roughly to the level at which it began last week, but the gauge remains far below the 2,500 mark at which it traded in early December.

Other regional exchanges benefited as well, and the Latin American component of the International Herald Tribune World Stock Index rose 9.65 percent, to 94.19, in late trading.

The Mexican government gave Mr. Clinton's plan a tangible vote of confidence by canceling its weekly sale of dollar-indexed tesobonos bonds. The securities, which are one of the key elements in the Mexican crisis, will pay far lower interest rates if the cash crunch is resolved, and the government said it did not want to pay the yields investors were demanding Tuesday.

Although the bonds were not sold, investors bid for three-month tesobonos at a yield of 26.97 percent, up from 24.98 percent last week, while six-month tesobonos would have

See PESO, Page 10

Luxembourg Court Opens Way for BCCI Settlement

Compiled by Our Staff From Dispatches

LUXEMBOURG — After waiting more than three years, creditors of failed Bank of Credit & Commerce International may begin getting some of their money back this summer.

A Luxembourg court cleared the way Tuesday for recovery of a small amount of the lost money — about 15 cents on the dollar — by approving a revised settlement plan.

The court finds that this agreement is in the best interests of the creditors, Judge Maryse Weiler said.

Under the plan, the bank's majority shareholders — the government and ruling family of Abu Dhabi — must pay \$1.8 billion toward a global settlement fund. Abu Dhabi is part of the United Arab Emirates.

Judge Weiler turned down a similar settlement plan last year, saying it was too favorable to the majority shareholders and did not take small creditors into consideration.

Banking regulators closed BCCI branches around the world in July 1991, leaving claims of about \$10 billion.

Officials alleged BCCI had been used to launder money for international drug traffickers, but some of the depositors who lost money blamed the bank's woes on lax regulation by authorities including the Bank of England.

Barring an appeal of the court-approved plan, depositors could get back about 15 cents for every \$1 they lost in the bank's collapse, according to a Luxembourg liquidator, Georges Baden.

Liquidators initially hoped to pay 30 cents to 40 cents on the dollar, but that now looks unlikely.

Under the plan, Abu Dhabi would turn over \$1.55 billion right away and the rest within three years, Mr. Baden said.

With the first installment, dividend payouts would be possible by this summer, he said.

Mr. Baden said liquidators still hoped to recover "huge amounts" of the bank's money frozen in the United States.

Creditors may appeal Tuesday's ruling, which was made by a three-judge panel in Luxembourg. But the plan was approved in September by a creditors' committee and has been approved by courts in London and the Cayman Islands, sites of other BCCI headquarters.

(AP, Reuters)

MEDIA MARKETS

Nova TV Is Becoming a Star

By Robert D. Gray
Special to the Herald Tribune

PRAGUE — Nova Television, the first private national station in the former Eastern bloc, will celebrate its first birthday Saturday and appears to have achieved considerable success.

The station has dominated Czech television, gaining a market share of more than 60 percent and effectively ending the 42-year monopoly of the Czech state network, CTV. And Czechs take their television seriously: Recent studies suggest they spend about 75 percent of their leisure time in front of the tube.

"It is a story of the success of a market economy and the success of cooperation between Western know-how and local knowledge," said Vladimir Zeleny, Nova's director general. "This is a very important example for other countries. We hope there will be followers, partners in Slovakia and Poland."

Nova's start-up was backed 75 percent by Central European Development Corp. and 25 percent by Czech Savings Bank.

Mr. Zeleny says the key to Nova's success is a balanced schedule, with Czech movies, American movies and Nova's own entertainment, news and current-affairs programs. About 45 percent of Nova's programming is of Czech origin, well above the 25 percent mandated by the government for its first year.

Success has also been reflected on the bottom line. Barry Hirsch, Nova's director of advertising sales, says that while first-year revenue was originally forecast at \$35 million to \$40 million, the station has surpassed all those predictions, with advertising sales of more than \$50 million. In the past, \$57 million to \$59 million was the total for the entire Czech TV market.

Robert Penazka, an account supervisor for Leo Burnett Prague, an affiliate of the Chicago-based advertising agency, says Nova's success is welcomed by advertisers because it "creates competitiveness" in the market. Mr. Penazka said all his firm's TV clients advertised on the private station. "Nova has created a new era in our media," he said.

Nova is apparently helping to shape Czech viewing habits as well, as shown by its success in broadcasting reruns of the popular American series M*A*S*H, which has a 30 percent rating at 10:30 P.M. — an hour that had been considered "late night" because of Czechs' traditional sleeping and working patterns.

"People have changed their accustomed way of life, and they now go to bed 30 minutes later," after watching M*A*S*H, Mr. Sladeczek said.

Films from studios such as Czech Barrandov, Buena Vista International, Columbia-Tristar and France's Gaumont have also helped the station gain its hold on the market.

Analysts also say a prime reason for Nova's success is the fact that all programs are fully dubbed in Czech. "There is no interest in shows broadcast in the original language," Mr. Zeleny said.

Nova's toughest battles to date have been wrangling with the Czech government. "The legislative framework in this country is not prepared to accept commercial television," Mr. Zeleny said. "It fits the needs of public or state television."

Battle Ends: Burlington Gets Santa Fe

Compiled by Our Staff From Dispatches

CHICAGO — Union Pacific Corp. on Tuesday abandoned its hostile attempt to take over Santa Fe Pacific Corp., ending a bidding war to create the largest U.S. railroad.

The capitulation clears the way for another railroad, Burlington Northern Inc., to acquire Santa Fe in a friendly deal between the two.

Union Pacific had sought to buy Santa Fe for \$18.50 a share in cash, or \$3.6 billion. Burlington Northern offered \$20 a share, or \$3.8 billion, in cash and stock.

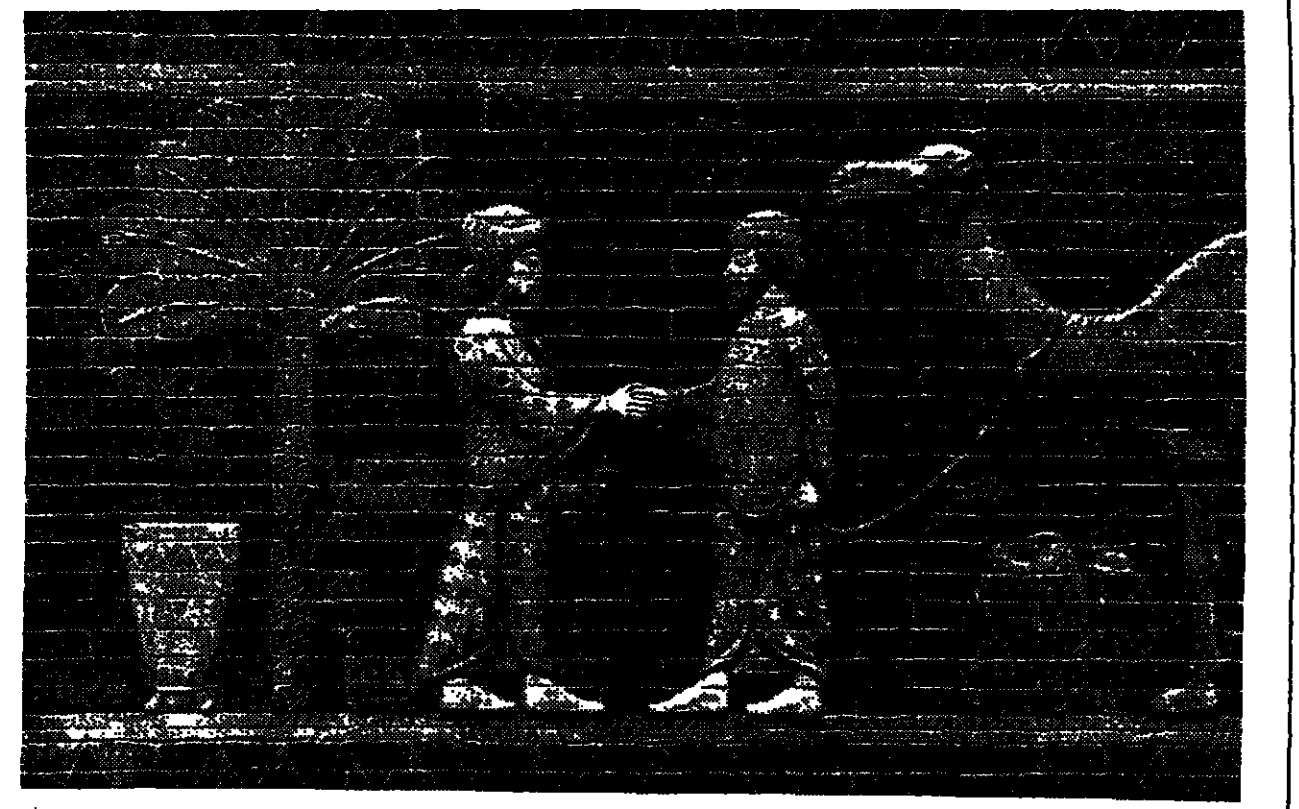
"It's easy to make a deal, but it's hard to make a good deal. And we thought that at any price over \$18.50, this was not a good deal for our shareholders," a Union Pacific spokesman said.

The companies' stock prices showed the bidding may have led Burlington to pay too much. Union Pacific's stock rose \$2.625 to \$50.25 in late trading. Burlington Northern fell \$1.875 to \$47.50, while Santa Fe stock fell 50 cents to \$17.875.

Analysts said the structure of the merger would make Santa Fe the most leveraged railroad in the industry.

(AP, Bloomberg)

OUR PHILOSOPHY OF BANKING GOES BACK 4,000 YEARS.



It was the ancient traders who first established many of today's banking practices. They accepted funds for safekeeping. Bartered goods for services. And extended credit. It was a business based on trust, and a handshake contract was binding.

The world has changed immeasurably since then, but Republic National Bank still holds to the principles established nearly four millennia ago.

We believe in the primacy of personal relationships, the importance of trust and the protection of depositors' funds. This emphasis has made us one of the world's leading private banks.

We're part of a global group with more than US\$5 billion in capital and more than US\$50 billion in assets. These assets continue to grow substantially, a testament to the group's strong balance sheet, risk-averse orientation and century-old heritage.

Though cuneiform tablets have given way to modern computers, the timeless qualities of safety, service and personal integrity will always be at the heart of our bank.



Republic National Bank
A Safra Bank

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CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	F.F.	Lira	D.P.	R.P.	S.F.	Yen
American	1.00	0.69	1.93	1.66	20.36	1.36	1.36	1.36	1.36
British	1.46	1.00	2.93	2.36	29.36	1.93	1.93	1.93	1.93
French	6.55	0.19	1.00	0.78	9.36	0.65	0.65	0.65	0.65
German	0.50	0.15	1.00	0.78	9.36	0.50	0.50	0.50	0.50
Italian	1.93	0.29	1.36	1.00	12.36	1.36	1.36	1.36	1.36
Japanese	0.007	0.002	0.008	0.006	0.07	0.007	0.007	0.007	1.00
Spanish	166.36	24.00	123.63	97.83	1236.36	166.36	166.36	166.36	166.36
Swiss	2.00	0.30	1.36	1.00	12.36	2.00	2.00	2.00	2.00
Thai	0.025	0.004	0.010	0.008	0.10	0.025	0.025	0.025	0.025
Turkish	1.36	0.20	0.80	0.64	6.40	1.36	1.36	1.36	1.36
U.S. dollar	1.00	0.69	1.93	1.66	20.36	1.36	1.36	1.36	1.36
Yen	160.00	23.00	117.00	93.00	1170.00	160.00	160.00	160.00	160.00

Jan. 31

Eurocurrency Deposits									
	Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU			
1 month	5 1/4-6 1/4	4 1/4-5 1/4	3 1/4-4 1/4	4 1/4-5 1/4	5 1/4-6 1/4	5 1/4-6 1/4			
3 months	6 1/4-7 1/4	5 1/4-6 1/4	4 1/4-5 1/4	5 1/4-6 1/4	6 1/4-7 1/4	6 1/4-7 1/4			
6 months	6 1/2-7 1/2	5 1/2-6 1/2	4 1/2-5 1/2	5 1/2-6 1/2	6 1/2-7 1/2	6 1/2-7 1/2			
1 year	7 1/4-8 1/4	6 1/4-7 1/4	5 1/4-6 1/4	6 1/4-7 1/4	7 1/4-8 1/4	7 1/4-8 1/4			

Jan. 31

Sources: Reuters, U.S. Bank, Citicorp, etc.

Notes: 1. Rates are for deposits of \$1 million minimum (or equivalent).

2. Rates are for deposits of \$1 million minimum (or equivalent).

3. Rates are for deposits of \$1 million minimum (or equivalent).

4. Rates are for deposits of \$1 million minimum (or equivalent).

5. Rates are for deposits of \$1 million minimum (or equivalent).

6. Rates are for deposits of \$1 million minimum (or equivalent).

7. Rates are for deposits of \$1 million minimum (or equivalent).

8. Rates are for deposits of \$1 million minimum (or equivalent).

9. Rates are for deposits of \$1 million minimum (or equivalent).

10. Rates are for deposits of \$1 million minimum (or equivalent).

MARKET DIARY

Mexico Rescue Plan Helps Stocks Rise

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rebounded Tuesday after President Bill Clinton bypassed Congress and invoked executive authority to offer Mexico a new financial-aid package.

The Dow Jones industrial average rose 11.78 points to

U.S. Stocks

3,843.86. Advancing issues outnumbered declining ones by a 4-to-3 margin. Volume on the New York Stock Exchange was heavy, as 402 million shares changed hands, compared with 322 million Monday.

American depositary receipts representing shares in Mexican companies soared in active trading as investors were encouraged by the plan and picked up what they perceived as bargains. Telefonos de Mexico rose 4% to 35 1/4. Grupo Televisa was up 4% to 23 1/4, and Grupo Tribuna finished 2 1/4 higher at 11 1/4.

Mexico Fund rose 2 1/4 to 19 1/4. "There was concern because this Mexican situation has continued to unravel without any kind of leadership in Washington," said Todd Clark of Mason Securities Corp. "If this aid

package is for real, it probably frees the Fed's hand to raise interest rates" and try to ensure that U.S. inflation doesn't accelerate this year, he said.

The Federal Open Market Committee, which makes decisions on U.S. monetary policy, began a two-day meeting Tuesday. Many investors were optimistic that any increase in interest rates announced at the end of the meeting would be the last in the central bank's yearlong effort to slow the economy to a sustainable growth rate.

The bond market also rallied. The price of the benchmark 30-year Treasury bond rose 23/32 to 97 24/32, bringing its yield down to 7.69 percent from 7.75 percent.

Some traders were skeptical that Mr. Clinton's gesture meant Mexico was on its way to full recovery. "This isn't the first time this has happened," said Jim Benning, a trader at BT Brokerage. "I don't see how throwing cash at the problem really fixes it."

IBM stock rose 1/2 to 72 1/4 after the company's board voted to repurchase as much as \$2.5 billion of shares. The board decided against a second share-buyback move, increasing its dividend. (Bloomberg, AP)

PESO: The Market Likes the Plan

Continued from Page 9

had to pay 40 percent, up from 26.59 percent last week.

Because the tesobonos are linked to the dollar and allow investors to withdraw their money in foreign currencies, the \$58 billion that mature this year

Foreign Exchange

were a catalyst in the cash crisis that began when Mexico devalued the peso Dec. 20.

The dollar rallied after Mr. Clinton spoke in Washington at 11 A.M. and it held its gains into the late afternoon. In New York, the dollar closed at 1.5243 Deutsche marks, up from its Monday close of 1.5053 DM, and at 99.625 yen, up from 98.435.

"Clinton pulled this rabbit out of his hat, and that supported the dollar," said Richard Koss, manager of currency sales at Canadian Imperial Bank of Commerce in New York.

The dollar also advanced to 1.2850 Swiss francs from 1.2675 and to 5.2830 French francs from 5.2240. The pound fell to \$1.5800 from \$1.5950.

Margaret Kudaruskas, an analyst at Technical Data, said, "The Mexican cloud over the dollar has dissipated." But she added that questions remained as to what Mexico had agreed in terms of fiscal and economic

measures in return for the aid package, such as privatization programs.

She also said doubts persisted about the underlying problems that caused the Mexican crisis in the first place. The aid package "only goes to stopping the immediate crisis, not the underlying problems," she said.

Taking a back seat to the Mexican situation was the first of two days of meetings by the Federal Reserve Board's policy-making Open Market Committee. The FOMC had been widely expected to raise U.S. short-term interest rates by half a percentage point although some analysts speculated Tuesday that it would refrain because a rate rise would hurt Mexico.

With the Mexican situation improving, a rate increase from the Fed could help push the dollar to 1.58 DM within two months, said Hillel Waxman, manager of currency trading at Bank Leumi Trust Co.

Others cautioned that the dollar was not out of the woods. They said that while Mexico's crisis had eased, it had not disappeared. "Will this really help Mexico out of its trouble?" asked Richard Vullo, currency sales manager at Bayerische Hypothek und Wechsel Bank. "That remains to be seen."

(Knight-Ridder, AP, Bloomberg, Reuters, AP, AFP)

Via Associated Press

Jan. 31

The Dow

Daily closings of the Dow Jones industrial average

4000

3800

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

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400

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J A S O N D J 1995

HT

NYSE Most Active

Vol. High Low Last Chg.

RJR NB of 248190 6 1/4 6 1/4 6 1/4 +1/4

JPMorgan Chase 174745 33 1/2 33 1/2 33 1/2 +1/4

Citigroup 174745 33 1/2 33 1/2 33 1/2 +1/4

Bank of America 174745 33 1/2 33 1/2 33 1/2 +1/4

Wells Fargo 174745 33 1/2 33 1/2 33 1/2 +1/4

Goldman Sachs 174745 33 1/2 33 1/2 33 1/2 +1/4

Merrill Lynch 174745 33 1/2 33 1/2 33 1/2 +1/4

PaineWebber 174745 33 1/2 33 1/2 33 1/2 +1/4

Prudential 174745 33 1/2 33 1/2 33 1/2 +1/4

Sun Life 174745 33 1/2 33 1/2 33 1/2 +1/4

MetLife 174745 33 1/2 33 1/2 33 1/2 +1/4

AIG 174745 33 1/2 33 1/2 33 1/2 +1/4

Allstate 174745 33 1/2 33 1/2 33 1/2 +1/4

Travelers 174745 33 1/2 33 1/2 33 1/2 +1/4

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Dow Jones Averages

Open High Low Last Chg.

Indus 3843.86 3843.86 3843.86 3843.86 +11.78

Transp 1200.00 1200.00 1200.00 1200.00 +1.00

Comp 1200.00 1200.00 1200.00 1200.00 +1.00

Energy 1200.00 1200.00 1200.00 1200.00 +1.00

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Michelin Plans Europe Venture With Continental

Bloomberg Business News
PARIS — Michelin, the French tire manufacturer, and Continental AG of Germany said Tuesday they planned a joint venture in Europe that would cut costs and help Michelin move into the low-cost tire market.

The companies did not estimate the financial value of the deal, though they said they hoped it would lead to a reduction in annual costs for each of

around 300 million French francs (\$57 million).

Cie. Generale des Etablissements Michelin, the world's largest tire maker, said the companies signed a letter of intent to begin "rapid accords" on cooperation in specific areas. It said the accord would not include equity cross-holdings.

Michelin said cooperation would take place in four areas: recycling, improving services, reducing costs and access to common production facilities for inexpensive tires.

Michelin said combining strengths "will permit an improvement in efficiency and competitiveness for each in the interest of their customers."

The company created under the venture will be owned in equal parts by each company, and each will contribute equally to the venture, Michelin said.

A Michelin spokesman said the market for low-cost tires in Europe was growing and that Michelin was eager to move further into that area.

Michelin has come under pressure in recent years to cut costs. Analysts said Japanese and U.S. tiremakers had caught up with Michelin technologically, depriving it of a key market edge: the ability to boast superior quality.

Two weeks ago, Continental agreed with its Italian rival, Pirelli SpA — which tried to take it over two years ago — to jointly research development of new truck tires.

That project was the first of its kind between the German and Italian companies. It was not expected to lead to any broader cooperation.

Murdoch Hints At Price Rise For Papers

Bloomberg Business News
DAVOS, Switzerland — Rupert Murdoch and Conrad M. Black, whose newspapers have led a price war in Britain, indicated Tuesday that the rising cost of paper may force prices back up.

Mr. Murdoch, chief executive of News Corp., said: "The price of paper has gone up by 30 or 40 percent in the last three months. That changes the economics of newspapers."

He added that News Corp. had not yet made a decision on raising prices of its newspapers including its flagship daily, The Times.

Analysts in Britain said the price war had cut newspapers' operating margins to the bone.

After Mr. Murdoch's comments at the World Economic Forum here, he talked with Mr. Black.

Mr. Black, chairman of Daily Telegraph PLC and Hollinger Inc., said, "If he raises his price, we could raise ours." He added that personal relations between the two men were good.

Mr. Murdoch said circulation of The Times had doubled as a result of the price war.

(Bloomberg, Reuters)

Russia to Stay on Course

New Privatization Chief Backs Reforms

Compiled by Our Staff From Dispatches

MOSCOW — Promising to bring relations with foreign investors back to "where they were before," Russia's new privatization chief said Tuesday he had no intention of nationalizing recently privatized companies.

"We have to emphasize that our relations with foreign investors remain on the same basis as they were before Plevanov," he said, referring to his predecessor, Vladimir Plevanov, who was ousted last week after just 34 days in office for urging that some recent privatizations, particularly in the fuel and aluminum industries, be reversed.

"The hopes of some political activists and interested parties that there will be nationalization are completely without foundation," Mr. Mostovoi said.

Analysts say Mr. Plevanov's dismissal is being publicized by the Kremlin as proof that it intends to stick to its market reforms, which include privatization of state-run industries.

"Nothing changes in the strategy and tactics of reform in Russia on the part of the president or his government," President Boris N. Yeltsin said.

Mr. Plevanov last month banned foreigners as well as several journalists from his committee's headquarters, saying the state's privatization secrets needed protection.

Meanwhile, authorities have set up a com-

mission to overturn decisions made by Mr. Plevanov, the news agency Interfax said. Some decisions have already been canceled, including the one that placed the State Property Committee headquarters off limits to reporters and foreigners.

(Reuters, AFP)

Coal Producers to Meet With Officials

Rosugol, the Russian coal producers' group, said it planned to meet with government officials this week to seek a solution to a crisis involving money owed to producers. Reuters reported.

Rosugol's chairman, Yuri Malyshev, said Rosugol enterprises were owed more than 2.1 trillion rubles (\$524 million) as of Jan. 1.

"About half of this sum is owed by industrial consumers, mainly electricity producers, while the other half, about 850 billion rubles, is owed by the federal budget," he said.

Rosugol says Russia's coal sector will need 14.3 trillion rubles in state subsidies this year, but the 1995 budget draft allowed for only 6.3 trillion rubles.

Mr. Malyshev said he had no fundamental objections to a plan by the World Bank to help restructure Russia's coal industry. "We agree with the World Bank, which says our coal industry is highly unprofitable," he said.

Electrolux Says Cuts Help Profit

Compiled by Our Staff From Dispatches

STOCKHOLM — Electrolux AB said Tuesday that 1994 pretax profit after financial items rose fivefold because of improved sales, cost-cutting and one-time gains.

Electrolux, the world's third-largest household appliance maker, after Whirlpool Corp. and General Electric Co. of the United States, said pretax profit rose to 6.35 billion kronor (\$853 million) from 1.25 billion kronor in 1993.

The results reflect a restructuring and streamlining program undertaken by the company about three years ago, said Leif Johansson, its chief executive.

"We saw the world had opened up — we could get into markets in India and China, all of Asia," he said. "We decided to grow with fewer products in a greater area."

Sales rose 8 percent, to 108.3 billion kronor. The company doubled its year-end dividend to 12.50 kronor a share.

The result exceeded analysts' expectations, but Electrolux stock held steady at 376 kronor.

The sale of Electrolux Autoliv AB, a subsidiary that makes automobile airbags, gave the company a one-time gain of 2.78 billion kronor.

Electrolux also bought AEG Hausgeräte AG, the domestic appliance unit of AEG AG, for about 750 million Deutsche marks (\$496 million).

AEG Hausgeräte added 3.1 billion kronor in sales to Electrolux's balance sheet. "The result reported for the operation acquired has fully compensated for the costs of the acquisition," Electrolux said.

(Bloomberg, Reuters)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2300	3300	2100		
2200	3200	2000		
2100	3100	1900		
2000	3000	1800		
1900	2900	1700		
1800	2800	1600		
1700	2700	1500		
1600	2600	1400		
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1300	2300	1100		
1200	2200	1000		
1100	2100	900		
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900	1900	700		
800	1800	600		
700	1700	500		
600	1600	400		
500	1500	300		
400	1400	200		
300	1300	100		
200	1200	0		
100	1100	-100		
0	1000	-200		
-100	900	-300		
-200	800	-400		
-300	700	-500		
-400	600	-600		
-500	500	-700		
-600	400	-800		
-700	300	-900		
-800	200	-1000		
-900	100	-1100		
-1000	0	-1200		
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-2800	-1800	-3000		
-2900	-1900	-3100		
-3000	-2000	-3200		
-3100	-2100	-3300		
-3200	-2200	-3400		
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-3400	-2400	-3600		
-3500	-2500	-3700		
-3600	-2600	-3800		
-3700	-2700	-3900		
-3800	-2800	-4000		
-3900	-2900	-4100		
-4000	-3000	-4200		
-4100	-3100	-4300		
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-4300	-3300	-4500		
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-12700	-11700	-12900		
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-12900	-11900	-13100		
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-13100	-12100	-13300		
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Australia in Overdrive

Government to Step Up Budget Tightening

Compiled by Our Staff From Dispatches
CANBERRA — Australia will post a current account deficit 70 percent larger than previous estimates for the year ending June 30, according to government data released Tuesday.
The revised estimates also show larger increases in economic growth, inflation and the budget deficit, despite recent government efforts to cool an overheating economy.
Treasurer Ralph Willis told Parliament that the government would step up budget-tightening measures in response to the new figures, with the goal of returning the budget to surplus by 1996, two years earlier than planned. He did not elaborate. The revised figures show the

current account deficit, the measure of a country's trade and overseas payments, reaching 26 billion Australian dollars (\$19.7 billion) for the current fiscal year, compared with a forecast last May of 18 billion dollars.
Mr. Willis blamed the higher figure on a drought in eastern Australia, which has reduced agricultural exports.
Gross domestic product is expected to rise 5.5 percent in fiscal 1995, compared with a forecast of 4.5 percent made in May. Core inflation is now seen rising to 2.25 percent, rather than the earlier estimate of 2 percent, Mr. Willis said, and the deficit is to come in at around 12.3 billion dollars, up from an original estimate of 11.7 billion dollars.

Mr. Willis said the wider budget deficit was due to a delay in the sale of the government's remaining 75 percent of Qantas Airways caused by a falling stock market.
Australian markets reacted negatively to the news. The Sydney Stock Exchange's All Ordinaries Index fell 26.1 points, or 1.4 percent, and the yield on the benchmark 10-year government bond rose to 10.41 percent from 10.17 percent Monday.
On the plus side, the government said it expected business investment in the current budget year to increase 24 percent, up from an earlier estimate of 14 percent.

New Zealand stocks, meanwhile, posted their biggest losses in six weeks as optimism that interest rates had peaked evaporated in the face of a central bank warning and figures showing an economy growing faster than expected.
(Reuters, Bloomberg, Knight-Ridder, AFP, APX)

Axa to Acquire Stake In Australian Insurer

Bloomberg Business News
PARIS — Axa SA said Tuesday it would acquire control of National Mutual Life Association of Australasia, Australia's second-largest insurance company.

The move will provide Axa, France's fourth-largest insurer, with a stepping stone to China through National Mutual's presence there and in other Asian markets.
The deal calls for Axa to pay 1.1 billion Australian dollars (\$834 million) for 40 percent of National Mutual, with the stake rising automatically to 51 percent once the Australian group converts from a mutual insurer to a publicly traded company on the Australian and New Zealand stock exchanges.

National Mutual, in return, will receive the cash infusion it needs to strengthen its balance sheet, as well as the opportunity to become a publicly traded company.
National Mutual members will vote on the deal at a special meeting in June.

Analysis said the deal was similar in structure to Axa's \$1 billion purchase of a controlling stake in Equitable Life Assurance Co., the U.S. mutual insurer, in 1991. Equitable subsequently became publicly owned, and Axa currently holds 60 percent of the stock.
Claude Bebear, chief executive of Axa, said National Mutual would become Axa's "third pillar in its global operation, with responsibility for the Asia-Pacific region."

The Australian government Tuesday raised eyebrows in the industry by approving the takeover, reversing a policy of disapproving of mergers with non-Australian companies. Analysts said the change of position signaled that the door was open for other such mergers — in particular, for Australian Mutual Provident Society, the nation's largest insurer.

Nomura Sees a Shake-Up

Reuters
TOKYO — Nomura Securities Co. says a restructuring of Japan's securities industry may be inevitable because of the protracted slump in the stock market.

"There are no brokerages which are confident about their present and future financial health in the current environment," Kenichi Takeshita, the company's director, said in an interview this week.
Century Securities Co., a medium-sized brokerage and an affiliate of Daiwa Securities Co., said Friday that the government of Brunei would buy a 20 percent stake in the company. The move would be the first foreign stake that would allow management rights in a full-service Japanese securities company.
"Brunei's capital participation will not be the last," Mr. Takeshita said.

Analysts and industry sources said the Ministry of Finance had become more liberal about letting foreigners buy into Japanese securities firms, given the low stock market turnover and the fact that many brokerages have been posting losses.
In addition to soliciting outside capital, brokerages will have to continue efforts to slash costs, Mr. Takeshita said.

The Japan Securities Dealers Association said 215 Japanese brokerages had combined losses of 85.1 billion yen (\$538 million) in the first half of this financial year.

Tokyo's stock market slump began with a plunge in the Nikkei average from its record high of nearly 39,000 at the end of 1989. In 1994, the Nikkei meandered between 17,000 and 21,500.

Mr. Takeshita pointed out that brokerage firms depend on volatility in the markets. "If the market does not move, it means people do not have an opportunity to win or lose, and it cannot attract people," he said.

He said Nomura's parent current profit, which is similar to pretax profit, was below its forecast of 70 billion yen so far in the financial year ending March 31.

In its last financial year, Nomura had a current profit of 50.60 billion yen.

Nomura had expected average daily turnover on the first section of the Tokyo exchange to be about 400 billion yen. But in the latest quarter, Mr. Takeshita said, turnover was only about 260 billion yen a day.

He added, however, that since the Kobe earthquake on Jan. 17, market turnover had increased to about 500 billion yen a day.

Japan Deciding How to Pay for Kobe

Reuters
TOKYO — Two weeks after the earthquake that devastated the port city of Kobe, Japan's government has yet to decide how to pay for reconstruction costs estimated at \$85 billion.

Finance Minister Masayoshi Takemura told a parliamentary panel Tuesday the ministry would draft, by the end of February, a supplementary budget for the current fiscal year, ending March 31, aimed at meeting some of the costs.

The first package would be used to clear up rubble, build temporary houses for 300,000 evacuees and re-establish basic services including water, power

and gas to the city of 1.5 million people.

Refugees in Kobe have been urging the government, which has come under attack for delays in relief work, to move quickly on the funding.

Choji Ashio, deputy governor of Hyogo Prefecture in southwestern Japan, where Kobe is located, said Monday that reconstruction would cost 8.55 trillion yen (\$85 billion), roughly a tenth of Japan's annual state budget.

More than 100,000 buildings and homes collapsed or were severely damaged by the earthquake. As of Tuesday, the death toll stood at 5,096 people.

Service Sector Growing

Japanese service industries employed more people than the country's manufacturing sector last year for the first time ever, Agence France-Presse reported, quoting the Management and Coordination Agency.

The agency said service industries employed a record 15.42 million people last year, a rise of 260,000 from 1993, mainly reflecting increased employment in the medical and education sectors.

Manufacturing, meanwhile, employed only 14.96 million, a drop of 340,000 from, chiefly because of job losses in the textile and machinery sectors.



Very briefly:

- Chase Manhattan Bank of the United States has upgraded its operations in India, opening a branch to provide international banking services to large companies and financial services firms.
- Standard & Poor's Asia Ltd. revised its long-term outlook on Sumitomo Bank Ltd. from stable to negative.
- Fujitsu Ltd., the Japanese computer and communications concern, and Corporate Software Inc., the U.S.-based computer programming company, plan to set up a joint venture in March to sell discount computer software in Japan.
- Sumitomo Chemical Co., Chugai Pharmaceutical Co. and Hodegaya Chemical Co. of Japan are studying plans to merge their agrochemical subsidiaries.
- Marubeni Corp., the Japanese trading company, said a consortium from Japan, China and the United States had won an oil-exploration license in Papua New Guinea and planned to spend as much as \$100 million on test drilling.
- The Philippines could face inflationary pressure ahead of the country's general election May 8, Manila's central bank said.

NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month	High	Low	Open	Close	Settle	High	Low	Open	Close	Settle
IBM	120.00	115.00	118.00	117.00	117.00	118.00	115.00	118.00	117.00	117.00
Microsoft	60.00	55.00	58.00	57.00	57.00	58.00	55.00	58.00	57.00	57.00
Apple	40.00	35.00	38.00	37.00	37.00	38.00	35.00	38.00	37.00	37.00
Oracle	30.00	25.00	28.00	27.00	27.00	28.00	25.00	28.00	27.00	27.00
Sun	20.00	15.00	18.00	17.00	17.00	18.00	15.00	18.00	17.00	17.00
HP	15.00	10.00	12.00	11.00	11.00	12.00	10.00	12.00	11.00	11.00
Intel	10.00	8.00	9.00	8.50	8.50	9.00	8.00	9.00	8.50	8.50
AMD	8.00	6.00	7.00	6.50	6.50	7.00	6.00	7.00	6.50	6.50
Cyrix	6.00	4.00	5.00	4.50	4.50	5.00	4.00	5.00	4.50	4.50
Transcend	4.00	3.00	3.50	3.20	3.20	3.50	3.00	3.50	3.20	3.20
Conquest	3.00	2.00	2.50	2.20	2.20	2.50	2.00	2.50	2.20	2.20
Winbond	2.00	1.00	1.50	1.20	1.20	1.50	1.00	1.50	1.20	1.20
Siemens	1.00	0.50	0.80	0.70	0.70	0.80	0.50	0.80	0.70	0.70
Philips	0.80	0.40	0.60	0.50	0.50	0.60	0.40	0.60	0.50	0.50
NEC	0.60	0.30	0.40	0.35	0.35	0.40	0.30	0.40	0.35	0.35
Sony	0.40	0.20	0.30	0.25	0.25	0.30	0.20	0.30	0.25	0.25
Panasonic	0.30	0.15	0.20	0.18	0.18	0.20	0.15	0.20	0.18	0.18
Toshiba	0.20	0.10	0.15	0.12	0.12	0.15	0.10	0.15	0.12	0.12
Fujitsu	0.15	0.08	0.12	0.10	0.10	0.12	0.08	0.12	0.10	0.10
Hitachi	0.10	0.05	0.08	0.07	0.07	0.08	0.05	0.08	0.07	0.07
Sharp	0.08	0.04	0.06	0.05	0.05	0.06	0.04	0.06	0.05	0.05
Daewoo	0.06	0.03	0.04	0.03	0.03	0.04	0.03	0.04	0.03	0.03
Hyundai	0.04	0.02	0.03	0.02	0.02	0.03	0.02	0.03	0.02	0.02
Kia	0.03	0.01	0.02	0.01	0.01	0.02	0.01	0.02	0.01	0.01
Ssangyong	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Daewoo	0.01	0.00	0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00

Philippines Says It Plans Sweeping Tax Reform

Compiled by Our Staff From Dispatches
MANILA — A sweeping tax reform package intended to increase collection and broaden the revenue base in the Philippines will be presented to Congress by the middle of the year, the finance secretary said Tuesday.

Roberto de Ocampo said studies on a new taxation system would be finished by the time new members of Congress took office in June, after elections in May.

Mr. de Ocampo said tax changes would help maintain economic growth, which reached 5.5 percent last year. He said the measures would include computerization to improve tax collection.

He also said the current tax system bred corruption and was regressive. Only about 2 million of the 65 million Filipinos pay taxes, most of them fixed-income workers who cannot escape the withholding tax despite relatively small incomes.

That has left the government short of funds for social programs that serve the 50 percent of the population living below the poverty line, as well as desperately needed infrastructure projects.

In 1994, the government had an estimated fiscal surplus of 13.7 billion pesos (\$539 million), its first in two decades. Mr. de Ocampo said the target for this year was a 15 billion peso surplus.

"The tax system has become so complicated and full of nooks and crannies within which the unscrupulous can hide," he said.

All Nippon Favors Short-Haul Planes

Compiled by Our Staff From Dispatches
TOKYO — All Nippon Airways Co. said Tuesday it had placed firm orders with Airbus Industrie for 10 short-haul A321-100s worth a total of 64.5 billion yen (\$650 million).

The airline will defer delivery of five A340-300 long-haul aircraft. It also canceled orders for four of eight Boeing Co. 747-400s and will instead buy three 767-300s and three 777s.

The airline said it was scaling back orders for long-range planes and planned to fly more short routes in Asia.

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SPORTS

Having Entered the Pantheon, 49ers Are Unlikely to Rest on Their Laurels

By Michael Wilbon

Washington Post Service

MIAMI — Eddie DeBartolo stood before his victorious San Francisco 49ers, clutching the Vince Lombardi Trophy yet again, and told them, "I don't have to say anything to you guys. You know."

Don't we all. There are no words for the San Francisco 49ers. Music maybe, but not words.

New York Yankees, Boston Celtics, Montreal Canadiens, San Francisco 49ers. The poor San Diego Chargers. They didn't do anything wrong, really, except dare to try to get in the way of history in the making. Not to mention Steve Young and Jerry Rice.

It's now five Super Bowl championships in 14 years, a short enough span to make for a dynasty, but a long enough period to see the faces change and know this is a franchise for all time. Just as Babe Ruth gave way to Joe DiMaggio and Bill Russell to Larry Bird, Steve Young has proven he is as worthy a successor to Joe Montana as one could imagine. And although we must admit there's never been anyone like Jerry

Rice, and probably won't be, you get the drift: Tom Rathman or William Floyd? Dwight Clark or John Taylor?

If you can play, if you can help the franchise in its pursuit of becoming the best team in football, probably even the best in professional sports, the 49ers will find you. Draft you, trade for you, woo you away even when others offer more money.

They've even managed to do something the Yankees, Celtics and the Canadiens couldn't:

They haven't become hated. We don't just admire the 49ers, we like them. It was an insightful observation President Bill Clinton made Sunday when he told DeBartolo via telephone, "I haven't met a fan anywhere in America who resents all the success you've had." Indeed, the 49ers have won with such a stunning combination of elegance, innovation and sense of fair play that you can't wait to see what they'll come up with next. "More than anything," Steve Young said, "I want people to appreciate what we're doing."

Jamie Williams, the 49ers' former tight end, stood outside the locker room after the 49-26 dismantling of San Diego and said: "They've separated themselves from everybody else, from the Steelers and Cowboys and anybody else. They're all a half-step back now. The 49ers are just superior in organization, in philosophy, in system, in playmakers."

Or as Carmen Policy, the club president, said: "We've done it with different coaches, different quarterbacks, different key players. The only constant is the owner."

That, of course, is DeBartolo. He has a sense of subtlety and propriety that Jerry Jones or George Steinbrenner would never comprehend. And Policy is the perfect extension of DeBartolo. They are why the 49ers aren't going to be hamstrung by new free agency rules or a salary cap or injury or retirement. If there are players out there to be had, then the 49ers will have the best of them. Policy ticked off the names of the free agents signed, which included Deion Sanders, and he said, "We hope this sent a message to the rest of the free agents around the league."

AS LONG AS DeBartolo continues to do business as usual, the cupboard should be full. Jesse Sapota, the guard who has played on four of the 49ers' five championship teams, said: "When you have an owner who just wants to make money, you're eventually going to be in trouble. When you have an owner who will not stand for losing, it may put a lot of pressure on the players, but it's an owner just about every player in the league wants to play for."

That, of course, includes Young and Rice, the best in the league at their positions. Looking at Young squeeze the Super Bowl trophy and blink back tears of joy and relief, one couldn't help but think of Michael Jordan after his first National Basketball Association title. Young has had to endure so much ugliness, from the fans back in northern California, from Montana himself. The word "gentleman" never better characterized a man than it does Steve Young. To go 24 of 36 for 325 yards, six touchdowns and no interceptions in the Super Bowl is unbelievable. To try and assess Rice's performance with

stats would diminish his artistry. He played most of Super Bowl XXIX with a separated shoulder, prompting Young to say later, "Jerry Rice with one arm is better than everybody else with two."

Much like Ruth and Bird and the Canadiens' Rocket Richard, Young and Rice were resolutely executing the plays they wanted to, with little thought of resistance. Sapota, the left guard in his 12th season, thought about all the talent that surrounded him before the game and said to himself, "You can be part of a history-maker today, part of a team that can go out and be as good as people expect."

After the game, Sapota said: "What we were doing out there today was like a symphony, with Steve Young conducting."

And speaking of the offensive coordinator, he said, "Mike Shanahan mentioned before the game that we could score over 40 points. Really, we could have scored over 50."

They've set a standard now that perhaps nobody else in football can live up to. People are wondering whether this is the best team of all time, though I would argue

that the 1989 and 1990 49ers, with Montana and Roger Craig, were better. But look where we are, comparing the 49ers with the 49ers. The Cowboys came, went, came again. The Redskins have come and gone, so have the Bears, so have the Giants. It's appropriate that DeBartolo and Policy wind up so frequently holding a trophy named for the man who said, "Winning isn't everything, it's the only thing."

Policy said that not winning the Super Bowl would have been "a total failure." Undoubtedly, this is a franchise that will continue to stalk championships, regardless of the rules of the day. "Under this new system," Policy said, "you have to start all over again every year. You have to look at your blackboard and erase every name that isn't under multiyear contract." They'll have Rice and they'll have Young. Does anybody else start with this much? The phone calls will come from free agents who want to win more than they want to lose. Shanahan and Deion could leave, but somebody else will come and the San Francisco 49ers will win. Don't they always?

Change Super Bowl So It Merits Its Name

By Thomas George

New York Times Service

MIAMI — You are Paul Tagliabue. You are the commissioner of the National Football League. You settle in at your suite at Joe Robbie Stadium just before kickoff, surrounded by family, friends and business associates. You are anxious. You are excited. Another season is about to reach its climax. Another Super Bowl. Your biggest show. You are ready for your league to strut its stuff.

And then the game unfolds. One team is ahead, 7-0. And then 14-0. And then 21-7. And then 28-7. And then 35-10. And then 42-10. And then 49-18. Finally, San Francisco 49, San Diego 26.

And National Conference 11, American Conference 0 in the last 11 Super Bowls. Most of them blowouts.

You are embarrassed. Once again. You are concerned. As Tagliabue left Miami on Monday morning for the Pro Bowl in Hawaii he had to wonder what shape the league's biggest attraction, its showcase — the Super Bowl — was in. This is getting old. And for the first time, the questions about changing the

league's playoff format to a more competitive form are now crystallizing beyond philosophy and theory.

The owners will gather at their annual meeting in March in Phoenix. For the first time, serious discussion can be expected, and maybe action, on the playoff system's being changed.

The time is ripe. This is getting old.

And the reasons why change might be expected as early as next season are because the owners must see what others: The integrity and interest and health of the sport's biggest game are at stake.

They hear the arguments about cyclical change, that the AFC will once again have its day. How long do they wait for that? How much is enough? Thirteen straight by the NFC? Sixteen? Twenty?

Before the latest debacle, the debate always began with reasons why the format should not be changed to make it possible for the best two teams to meet in the Super Bowl. After Sunday's game, the discussions will begin with, How can the league not afford to make the change?

That is a remarkable difference. And it could be the impetus for one of the most significant changes in NFL history.

The current Super Bowl playoff system features AFC teams battling each other and NFC teams doing the same in each playoff round. The winners from each conference meet in the Super Bowl.

The problem has been that, in recent seasons, the top three or four NFC teams would have each been prohibitive favorites over the AFC champion. And the results have shown that the NFC team that survives has already played its Super Bowl in the NFC championship game. Then it simply trounces the AFC team in the final game.

San Francisco and Dallas, for example, were clearly the best teams in pro football this season. After San Francisco beat Dallas for the NFC title, the argument was that that game was the Super Bowl. That the game in Miami — and even the 49ers said it — was an anticlimax. The Super Bowl an anticlimax? Well, 49-26. It was an anticlimax.



Steve Young responding to cheers from the estimated 300,000 who stood in a drizzle for San Francisco's victory parade.

What about a system that would have allowed San Francisco and Dallas to meet in the Super Bowl? Can't happen now. Might happen later.

You could rank the playoff teams 1 through 12. The four divisional winners earn first-round byes. Teams 1 and 3 are in one bracket, 2 and 4 in another. That way 1 could meet 2 in the Super Bowl. Teams 1 through 4 earn first-round byes. The lowest-ranked teams always play the highest-ranked teams throughout the playoffs. A true champion would be crowned.

THIS SYSTEM would preserve the integrity of the regular season, the divisional races and the sprint for playoff home-field advantage. A team's playoff ranking and each of these other factors would be based on its regular-season record. It would create more interest. A more level playing field.

The league gears everything toward the Super Bowl and then the game continues to be a flop. Even the Canadian Football League looks at the Super Bowl and snickers. Our championship

games have been much better, more competitive, more compelling, it says. Yours are a joke.

This is another reason action might be expected sooner rather than later. The NFL does not like the criticism and ridicule from outside. Now more of that than ever before is beginning to swell from the inside.

It starts with Tagliabue. He is a man who has helped steer the league to a collective bargaining agreement in a sports climate that has clearly shown how difficult that is to achieve and a man who has helped pave the way for the league to enjoy the richest television contract in the history of entertainment.

He has vision. He is a thinker. He helped the league absorb the myriad change that unfolded this season, including the salary cap and the new offensive rules. Does he sit and let this Super Bowl thing play itself out and hope it eventually evens out? No. He acts. He stimulates the change.

The fans want it. The players want it. Do Tagliabue and the owners want it? To make the Super Bowl truly super, they must.

SIDELINES

Baseball Owners Hint at Major Offer

WASHINGTON (WP) — When major league baseball's negotiations are resumed Wednesday, the owners may make their most comprehensive proposal to the striking players since they put their salary cap system on the table in June, management sources said.

Meanwhile, a Baltimore city councilman, Joseph DiBiasi, introduced legislation that would bar replacement players from playing at the Orioles' Camden Yards park, and a New York state legislator, Richard Brodsky, said he will introduce a bill that would prohibit the New York Yankees and Mets from using replacement players at Yankee and Shea stadiums.

Romario Voted Soccer's Best in '94

LISBON (AP) — Forward Romario, who helped Brazil win the 1994 World Cup championship, has been voted soccer's world player of the year.

He beat out two other World Cup stars, Hristo Stoichkov of Bulgaria and Roberto Baggio of Italy, in a poll of national team coaches conducted by FIFA, soccer's governing body.

Quotable

Lee Trevino on the three things that go on an aging golfer: "His nerves, his memory and I can't remember the third thing."

CROSSWORD

ACROSS
1 Twit
2 Market Square
3 Arena team
4 Dog command
5 Eye

15 Turkish travel stop
16 Bygone condition: Abbr.
17 "E.R." rival
18 Brother

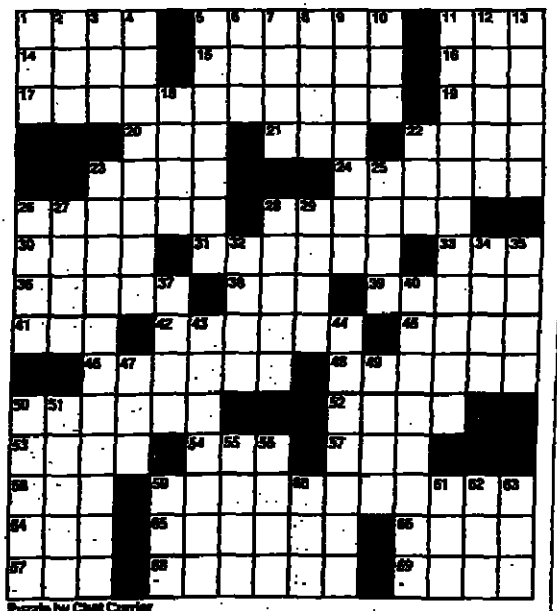
3 "Aladdin" prince
4 Rap/rimmed
5 Farm newcomers
6 Catullus's "Odi et amo"

7 Songwriter
8 Sammie
9 Switch ending
10 Subdue
11 Saut — Marie
12 Subject of an E.E. Cummings "poem"

13 Civil War general, later at Wayneboro
14 Becomes grizzled
15 Japanese aborigine
16 Film speed no.
17 New York Mets manager

18 Tasks for calculations
19 "Woe" — I
20 Jordanian queen
21 Turnout
22 Light and open
23 Mawkish material
24 Poet Walter —

25 Lured
26 Goal preventer
27 Title
28 Forget denizen
29 1982 James Earl Jones role
30 The big I
31 Actor Cronyn
32 Creatures
33 Many times
34 Dances
35 Toilettes case



Solution to Puzzle of Jan. 31

ESCAPE CASAS SIAT
ALLEY UHURU TIE
WILKESBOOTH USN
MOSALT TWO MALE
TAN STEW CLARET
TAD ELEM REET
OWARS REPAIR HUAN
DICE TRAIT OISE
DEODORANT INLET
BARE DORN LAS
BEACON NAPS
REST CPA MOHAS
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OBSERVER

Buzzards in Burgville

By Russell Baker

NEW YORK — Not much to report from Burgville. We've had O.J. on the television night and day, and of course President Clinton's State of the Union speech went on for 20 years.

Colonel Rip Van Cantata, dean of Burgville Republicans, went to sleep when the speech started, the way he always does when there's a Democrat on television, saying, "Don't wake me till the rascal's through." And Mrs. Cantata had to start him on intravenous feeding two days ago.

I'm making that up, of course, and it's shameful. It's tempting to be smart-alecky about Clinton's not being able to turn himself off, and there's nothing funny about it. The poor man has acute loquacity disease.

This comes from the delusion that if you keep talking long enough nobody will notice you don't have much on your mind.

People say we don't have much on our minds here in Burgville either, but that's because all they ever see us do is watch television. I hate this belittling of people just because they watch TV instead of going to the opera.

How do they know we wouldn't do the opera if we had an opera house to go to? Burgville is just as hospitable to grandeur as the next place. That's why a gigantic new gas-station-and-convenience-store is going up smack in the middle of town.

Admittedly it's no Lincoln Center, but it's going to be one spectacular place to drink a Dr Pepper while pumping your gas.

Anyhow, with TV bringing the world into the house, why go outside? That's why there are so few people on our streets.

Burgville is sitting home in the great world outside.

A cultural feast, too. For some reason the cable didn't rerun "The Three Tenors" all week, but while surfing the shopping channels looking for a bargain in earrings for my wife's birthday I crashed right into the middle of "Bridgeshead Revisited."

And watched three or four minutes. It's that Evelyn Waugh story about a grown man attached to his teddy bear. Acclaimed by millions in its day. Imagine: Evelyn Waugh coming into every nice home in Burgville. Pretty nice.

The big event, though, was the Simpson trial. After watching the prosecution present its case, I realized Simpson was guilty. Then I watched the defense present its case and realized Simpson was innocent.

So who did it? The butler? Not if I understood the defense correctly. It was the Los Angeles Police Department. This prompted me to call some local lawyers to ask if Burgville was witnessing a precedent-shattering courtroom moment.

There were other good moments, like going through the Burgville Supermarket check-out line and finding that People magazine's annual "Sexiest Man Alive" designee was the movie actor Brad Pitt. Poor little fellow.

It was a rotten thing to happen to Pitt, but better Pitt than me, and I romped home to tell the family the good news.

As I entered the yard the sun was setting and the buzzards were coming back to their tree roosts. Burgville is famous for its buzzards.

The setting sun caught their wings from underneath and turned all to gracefully swooping golden hawks. Such are the joys of Burgville.

New York Times Service

The £500,000 Tempest in London's Literary Teapot

By Sarah Lyall

New York Times Service

LONDON — In London's tight-knit literary world, the exciting news in November that the novelist Martin Amis had demanded an incredible (for here) advance of £500,000 (about \$795,000) for his forthcoming novel, "The Information," spread like wildfire in a parched forest.

But it didn't become apparent until recently, when a deal was finally consummated and the smoke began to clear, that almost everyone involved had been burned along the way.

There was Amis's longtime publisher, a division of Random House U.K., and his longtime agent, Pat Kavanagh, both of whom were replaced during the negotiations. There was the formidable novelist A. S. Byatt, who gave Amis an unusual public tongue-lashing.

There was the sharp-shooting Andrew Wylie, Amis's new agent, whom the British press nicknamed the Jackal. And then there was Amis himself, pilloried for unseemly and un-British greed by an unforgiving London press.

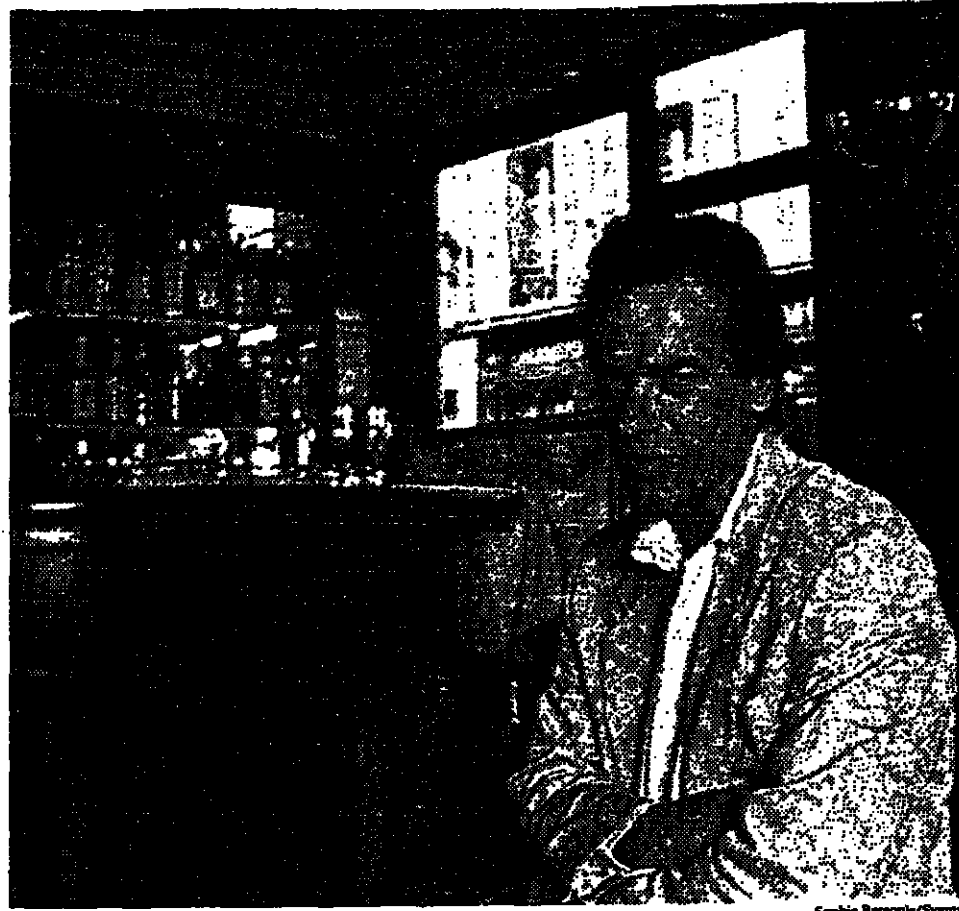
"I think everyone was taken aback by the extent of the attention," said one British editor, who, like most people involved in the situation, would only speak anonymously. "But I think that it has to do with the fact that there are very, very few writers in this country with any kind of popular press presence, and he's one of them, for reasons that partly have to do with his father." (That would, of course, be Kingsley Amis, author of "Lucky Jim" and many other works that have made him an institution here.)

It was last fall when the 45-year-old Martin Amis, known as much for his reputation as a literary bad boy as for his novels, instructed Kavanagh to seek £500,000 for "The Information," the story of a writer with trouble at home who confronts his own failure and his best friend's success. (Amis himself recently left his wife for a younger woman, an American, adding prurient interest to anything he does here.)

The figure came out — leaked, probably, by a stunned employee at Amis's publisher, Jonathan Cape.

Part of what took everyone aback, said Peter Straus, the editor of Picador, a division of Macmillan, is that Amis is a literary novelist, not a commercial writer like the high-earning authors Jeffrey Archer, John Grisham and Barbara Taylor Bradford.

"Commerce and literature are still meant to be separate in England," Straus said. "If you're writing mass-market fiction, it doesn't matter your price: You can be as vulgar as you want in terms of money. But somehow that isn't the same for literary fiction."



Martin Amis was pilloried for un-British greed by an unforgiving London press.

Cape, in conjunction with Penguin, offered about \$525,000 in a deal that included hardcover and paperback rights, arguing that it would be virtually impossible for the book to earn back the hefty advance the author sought.

People at the company say that two of Amis's best-known books, "Money" and "London Fields," have sold about 40,000 copies apiece in hardback, and about 230,000 in paperback, in Britain and the Commonwealth.

"The Information" would have to sell twice as many copies in hardback to break even, publishers said.

Amis turned down the offer and in the subsequent melee, Kavanagh obtained an offer of about \$730,000 from HarperCollins U.K.

Amis turned that down, too. That's when Byatt, a Cape author who won the Booker Prize in 1990 for her novel "Possession," weighed in

with her own view: Amis's request, she said, was *folie de grandeur*.

"He must believe that his name is so extraordinary that anyone will pay an extra £250,000 to have him on their list," she said. Calling Amis's approach "a kind of male monkey cooking," she went on: "I always earn out my advances and I don't see why I should subsidize his greed, simply because he has a divorce to pay for and has just had all his teeth redone."

Byatt's comments were widely reprinted, the conventional wisdom being that whatever their merits, she had violated the unwritten compact of solidarity among authors and had badly misstepped on the issue of Amis's teeth.

The author of the article says he has indeed endured painful and costly dental treatments, dictated not by vanity, but by acute medical necessity. (Amis wouldn't comment.)

Meanwhile, Amis removed his old friend Kavanagh (who also happens to be married to another of his old friends, the novelist Julian Barnes), replacing her with Andrew Wylie, a New Yorker known for driving hard American bargains.

Wylie, as it happens, also represents Amis's girlfriend, Isabel Fonseca, as well as Salman Rushdie and several other British authors. The British press reacted with a barrage of unflattering profiles of Wylie.

Wylie traveled to London several weeks ago and conducted an auction of his own. In the end, people with knowledge of the deal say, he obtained somewhere between \$730,000 and \$795,000 from HarperCollins, a sum, interestingly enough, not substantially different from what Kavanagh had negotiated earlier.

The deal includes a volume of short stories, but editors here said that it might well be the most ever paid for a literary novel in Britain. "He's a brilliant writer and I'm pleased that he's been paid a brilliant advance," Straus said, "but I think it's too high."

At the same time, high advances often make mischief with other authors, who grumble bitterly that they deserve more money, too. "The talk creates a lot of bad feeling," said Ed Victor, a literary agent. "You get people asking what happens to all that money. And you can see a queue starting to form outside of Eddie Bell's door," he added, referring to the publisher of HarperCollins U.K., whose authors will undoubtedly expect raises, too.

In the United States, Random House agreed some time ago to pay \$400,000 for hardcover and paperback rights to Amis's previous novel, "Time's Arrow," and a subsequent one, which turned out to be "The Information." The British reaction to the Amis affair mystified many Americans, who are well used to star authors' big egos and big money.

"It's a great sale with great money, but it's not \$5 million or \$10 million," said Peter Guzzardi, the editorial director of Harcourt Brace Jovanovich, the Random House imprint that publishes Amis. Guzzardi said that "The Information" was Amis's best work yet. "My feeling is that once people start to read the book they'll know all this, because it really delivers," he said. The book is to be published in March in Britain and in late May in the United States.

Amis has recently returned to Britain from the United States and declined to be interviewed. Wylie had no comment, either. Kavanagh, Amis's former agent and friend, would say only that "the ironies inherent in this situation will not be lost on any of the participants."

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

Europe

	Today	High	Low	Temp	Wind	Clouds	Precip
Algeria	18/26	10/20	16/21	12/20	SH		
Amman	14/21	3/27	10/11	8/23	30/32		
Ankara	14/21	3/27	10/11	8/23	30/32		
Athens	13/18	6/16	12/13	7/14	1		
Batumi	17/22	6/16	12/13	7/14	1		
Belgrade	4/20	3/27	7/14	13/19	1		
Berlin	8/16	2/26	7/14	8/23	1		
Bombay	24/30	23/28	24/30	23/28	1		
Buenos Aires	3/27	0/22	1/23	2/29	1		
Calcutta	3/27	0/22	1/23	2/29	1		
Caracas	21/26	9/18	17/22	11/20	1		
Chennai	26/32	14/27	24/28	17/22	1		
Cairo	18/26	4/20	10/11	8/23	1		
Colombo	11/22	4/23	10/11	8/23	1		
Copenhagen	3/27	0/22	1/23	2/29	1		
Columbo	11/22	4/23	10/11	8/23	1		
Dhaka	13/20	3/27	10/11	8/23	1		
Dubai	18/26	4/20	10/11	8/23	1		
Guangzhou	18/26	4/20	10/11	8/23	1		
Hankow	18/26	4/20	10/11	8/23	1		
Hong Kong	18/26	4/20	10/11	8/23	1		
Kobe	18/26	4/20	10/11	8/23	1		
London	18/26	4/20	10/11	8/23	1		
Madras	18/26	4/20	10/11	8/23	1		
Moscow	18/26	4/20	10/11	8/23	1		
Mumbai	18/26	4/20	10/11	8/23	1		
New Delhi	18/26	4/20	10/11	8/23	1		
Osaka	18/26	4/20	10/11	8/23	1		
Paris	18/26	4/20	10/11	8/23	1		
Perth	18/26	4/20	10/11	8/23	1		
Rangoon	18/26	4/20	10/11	8/23	1		
Seoul	18/26	4/20	10/11	8/23	1		
Singapore	18/26	4/20	10/11	8/23	1		
Sydney	18/26	4/20	10/11	8/23	1		
Taipei	18/26	4/20	10/11	8/23	1		
Tokyo	18/26	4/20	10/11	8/23	1		
Yokohama	18/26	4/20	10/11	8/23	1		



North America
Rain will soak the West Coast from Oregon north into British Columbia with snow in the Cascades and northern Rockies. Dry, mild weather will prevail in the Southwest. The East Coast will be dry and chilly. Snow showers in Chicago and Toronto Thursday and Friday.

Europe
Rain will again affect the U.K. Thursday into Friday then move east into Denmark, northern Germany and southern Sweden. Drier weather is slated for much of France and southern Germany. There will be a few showers in Italy and Greece, with dry weather in Spain.

Legend: S=sunny, B=cloudy, C=cloudy, D=dry, H=heavy rain, L=light rain, M=mist, N=noon, P=precipitation, R=rain, S=sunny, T=thunder, W=wind, X=other.

Asia

	Today	High	Low	Temp	Wind	Clouds	Precip
Bangkok	28/34	19/25	26/31	20/28	1		
Beijing	1/24	2/26	1/23	2/29	1		
Bombay	18/26	4/20	10/11	8/23	1		
Buenos Aires	3/27	0/22	1/23	2/29	1		
Calcutta	3/27	0/22	1/23	2/29	1		
Caracas	21/26	9/18	17/22	11/20	1		
Chennai	26/32	14/27	24/28	17/22	1		
Cairo	18/26	4/20	10/11	8/23	1		
Colombo	11/22	4/23	10/11	8/23	1		
Copenhagen	3/27	0/22	1/23	2/29	1		
Columbo	11/22	4/23	10/11	8/23	1		
Dhaka	13/20	3/27	10/11	8/23	1		
Dubai	18/26	4/20	10/11	8/23	1		
Guangzhou	18/26	4/20	10/11	8/23	1		
Hankow	18/26	4/20	10/11	8/23	1		
Hong Kong	18/26	4/20	10/11	8/23	1		
Kobe	18/26	4/20	10/11	8/23	1		
London	18/26	4/20	10/11	8/23	1		
Madras	18/26	4/20	10/11	8/23	1		
Moscow	18/26	4/20	10/11	8/23	1		
Mumbai	18/26	4/20	10/11	8/23	1		
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Seoul	18/26	4/20	10/11	8/23	1		
Singapore	18/26	4/20	10/11	8/23	1		
Sydney	18/26	4/20	10/11	8/23	1		
Taipei	18/26	4/20	10/11	8/23	1		
Tokyo	18/26	4/20	10/11	8/23	1		
Yokohama	18/26	4/20	10/11	8/23	1		

Legend: S=sunny, B=cloudy, C=cloudy, D=dry, H=heavy rain, L=light rain, M=mist, N=noon, P=precipitation, R=rain, S=sunny, T=thunder, W=wind, X=other.

PEOPLE

THE big winner at the American Music Awards was the vocal group Boyz II Men, which took three prizes, followed by the Swedish pop group Ace of Base, the balladeer Michael Bolton and country singer Reba McEntire with two each. The artist formerly known as Prince caused a buzz when he appeared with a scantily clad dancer during his number. Cameras cut discreetly to a long shot from the back of the auditorium to avoid close-ups.

A new swept-back, lacquered hairstyle sported in New York by Princess Diana is causing a stir in London, where hair stylists lined up to welcome the change without quite managing to applaud the style. Diana unveiled her new look, styled by Sam McKnight, at an awards ceremony at the Council of Fashion Designers of America. Rick Haylor, who manages the John Frieda salon in London, applauded the change, swept off the forehead and slicked back in a "fresh out of the shower" look. "It is a very glamorous look, very modern, and she is to be applauded for going for something new, for trying to re-create herself," he said. "But it is not as flattering as it could be." Jackie Wadeson of Hair Magazine said: "The new style is very Madonna-ish, but it is not quite long enough for this style." Then again, Wadeson said, "I personally think she looks lovely."



New-look Diana at fashion ceremony in New York.

When the Playboy interviews Jennifer Gould sat down with the Russian ultranovelist Vladimir Zhirinovskiy, she figured there would be some talk about sex. What she didn't expect the writer says, was "blatant sexual harassment." Gould says Zhirinovskiy repeatedly urged her and her 20-year-old female translator to have sex with him and his two male bodyguards. And it's all in tape. "We'll understand one another better if you undress right now," Zhirinovskiy told Gould. "You will lie on these little beds, and these boys will caress you. And I will be listening to you and continue talking myself."

Cheryl Chase spent a night in jail in Boston Hills after police stopped him for unsafe driving and his blood-alcohol level was found to be more than twice the legal limit.

The latest awards going to Michelle Pfeiffer and Tom Hanks are brass pudding pots. Harvard's Hasty Pudding theater club has named them its 1995 woman and man of the year. Pfeiffer will lead a parade through Harvard Square and receive the traditional pot on Feb. 13. Hanks will receive his pot and a roast on Feb. 21.



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KOREA	000-11			FINLAND	0000-100-10	COSTA RICA	000-11-0010	GUINEA	00-001
MACAU	000-11			FRANCE	10-0011	CUBA	000-11-0010	GUINEA-BISSAU	00-001
MALAYSIA*	000-0011			GERMANY	0130-0010	DOMINICAN REP.	000-11-0010	IBOM	00-001
				GREECE	00-600-1311	ECUADOR	000-11-0010	IBOM	00-001
						EL SALVADOR	000-11-0010	IBOM	00-001
						HONDURAS	000-11-0010	IBOM	00-001
						MEXICO	000-11-0010	IBOM	00-001
						NICARAGUA	000-11-0010	IBOM	00-001
						PARAGUAY	000-11-0010	IBOM	00-001
						PERU	000-11-0010	IBOM	00-001
						PUERTO RICO	000-11-0010	IBOM	00-001
						SOUTH AFRICA	0-800-85-9123	IBOM	00-001
						TAIWAN	000-11-0010	IBOM	00-001
						THAILAND	000-11-0010	IBOM	00-001
						UNITED STATES	1-800-375-2222	IBOM	00-001
						UNITED KINGDOM	00-001	IBOM	00-001
						WEST INDIES	000-11-0010	IBOM	00-001
						YUGOSLAVIA	000-11-0010	IBOM	00-001